

# **MINE SITE ASSESSMENT PUBLIC SUMMARY REPORT**

MINE SITE

SQM Salar de Atacama

OPERATING COMPANY

Sociedad Quimica y Minera de Chile S.A. (SQM)

COUNTRY OF OPERATION

Chile

6 SEPTEMBER 2023

# Acknowledgements

IRMA believes that third-party, independent audits are most credible when there is robust participation not only from participating mines, but also from workers and stakeholders, particularly those from affected communities.

Outside stakeholders are not remunerated for their participation, and willingly give their time to provide perspectives and information on mine site performance. IRMA would like to recognize Sociedad Quimica y Minera (SQM) Salar de Atacama Mine and plant workers, governmental representatives, and members of affected communities for their participation in this audit.

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# Audit Details

<b>Name of Mine:</b>	SQM Salar de Atacama Mine
<b>Operating Company:</b>	Sociedad Quimica y Minera (SQM) Salar de Atacama S.A.
<b>Mine Owner:</b>	Sociedad Quimica y Minera de Chile S.A.
<b>Country of Operation:</b>	Chile
<b>Mined Material(s):</b>	Lithium, Potassium, Boron, Sulfate of potash (SOP), and Boric acid
<b># Employees / contractors:</b>	1300 employees/550 contractors at the time of audit
<b>Mine site profile on IRMA's website:</b>	<a href="https://responsiblemining.net/what-we-do/certification/mines-under-assessment/salar-de-atacama-sqm/">https://responsiblemining.net/what-we-do/certification/mines-under-assessment/salar-de-atacama-sqm/</a>
<b>Audit Type:</b>	Initial certification audit
<b>Audit Dates:</b>	Stage 1 audit: 8 February – 4 March 2022 Stage 2 audit: 30 May – 2 June 2022
<b>Audit Team:</b>	Alex Teran, Lead Auditor Jorge David, EHS Eric Chang, EHS Tatiane Moraes, Social
<b>Lead Auditor Declaration:</b>	<p>✓ The findings in this report are based on an objective evaluation of evidence (through review of documents; first-hand observations at the mine site; and interviews with mine staff, workers, and stakeholders) as presented during the Stage 1 and Stage 2 audit activities.</p> <p>✓ The audit team members were deemed to have no conflicts of interest with the mine.</p> <p>✓ The audit team members were professional, ethical, objective, and truthful in their conduct of audit activities.</p> <p>✓ The information in this report is accurate according to the best knowledge of the auditors who contributed to the report.</p>
<b>Scope of Certification</b>	The scope includes brine extraction, concentration, and waste disposal areas at SQM's Salar de Atacama site, located in the Salar de Atacama sector (commune of San Pedro de Atacama), El Loa Province, Antofagasta Region of Chile.
<b>IRMA Standard Version:</b>	IRMA Standard for Responsible Mining, v.1.0 (June 2018)
<b>Certification Body (CB):</b>	ERM CVS
<b>CB Technical Reviewer:</b>	Will Huggett
<b>Achievement Decision Date:</b>	6 September 2023
<b>Achievement Valid Until</b>	5 September August 2026 (contingent upon outcome of surveillance audit and continuous compliance with the IRMA independent audit processes)
<b>IRMA Reference Number:</b>	IRMA-STD-ERM-001-V-03629

# 1. Mine Site Overview

## 1.1. Overview of Location

The Sociedad Química y Minera (SQM) Salar de Atacama S.A. Mine is based to the east of the Atacama Desert in Chile, a 1,600 kilometer stretch of arid land covering more than 100,000 kilometers squared located where Chile, Bolivia, and Argentina meet. This desert sits at areas above 2,000 meters above sea level (masl) with clouds and summer rain.

Operations are in the southwest of the Salar de Atacama, within the Atacama Desert, more than 30 kilometers away from the nearest community, Peine. In this region, SQM holds executive and temporary rights to exploit mineral resources in the Salar de Atacama in northern Chile. This region is a globally unique landscape with salt flats and volcanic mountains. This Salar de Atacama is considered one of the largest lithium deposits in the world. The term Salar de Atacama describes a salt-encrusted area that is created by the evaporation of brine and rain from desert basins. The Salar de Atacama is located in a depression from which the underground groundwater and brine cannot flow off, thus forming a so-called endorheic reservoir. This salt flat is the largest active evaporative basin in the Region de Antofagasta of Northern Chile.

This marginal high desert climate in the Salar de Atacama contrasts with the majority of the Atacama desert, which has virtually no rain throughout the year (less than 2 mm/year), but in the Salar de Atacama and its surroundings, the average rainfall is in a range between 5 and 120 mm/year. This is due to the close proximity to the Andes mountain range, which also provides water into the Salar de Atacama.

The climatic and especially the hydrological conditions in the Atacama Desert are quite extreme. While it is one of the driest places in the world, the basin of the Salar de Atacama does receive water from rainfall, snow, and glacier melt from the high mountains in the Andes., beneath the salt crust of the Salar de Atacama lies a large reservoir of a salt-rich solution, the brine. Due to its high salt concentration, the brine is neither suitable for drinking nor agriculture.

In reference to potable water, there are 4 sources of water in the area: aquifers in the surroundings of the Salar, that is made potable after minor treatment; springs that emerge upstream of the Salar and downstream from the nearest community, from melting snow infiltration (source: the Andes mountains); rivers, creeks and minor streams of the same origin, Andean snow and some rain (typically what is called “the Bolivian winter”, that also recharge the aquifers); and water under the salt lake, of high salinity, and not potable unless desalinated. SQM does not tap from the latter.

This region is sparsely populated, with most towns located along the Pacific coast. Some indigenous groups are localized around the east of the Salar de Atacama. After the initial discovery of sodium nitrate deposits in the Atacama Desert in the 19th century, mines popped up throughout the desert. Now, the desert is littered with these abandoned nitrate mining towns.

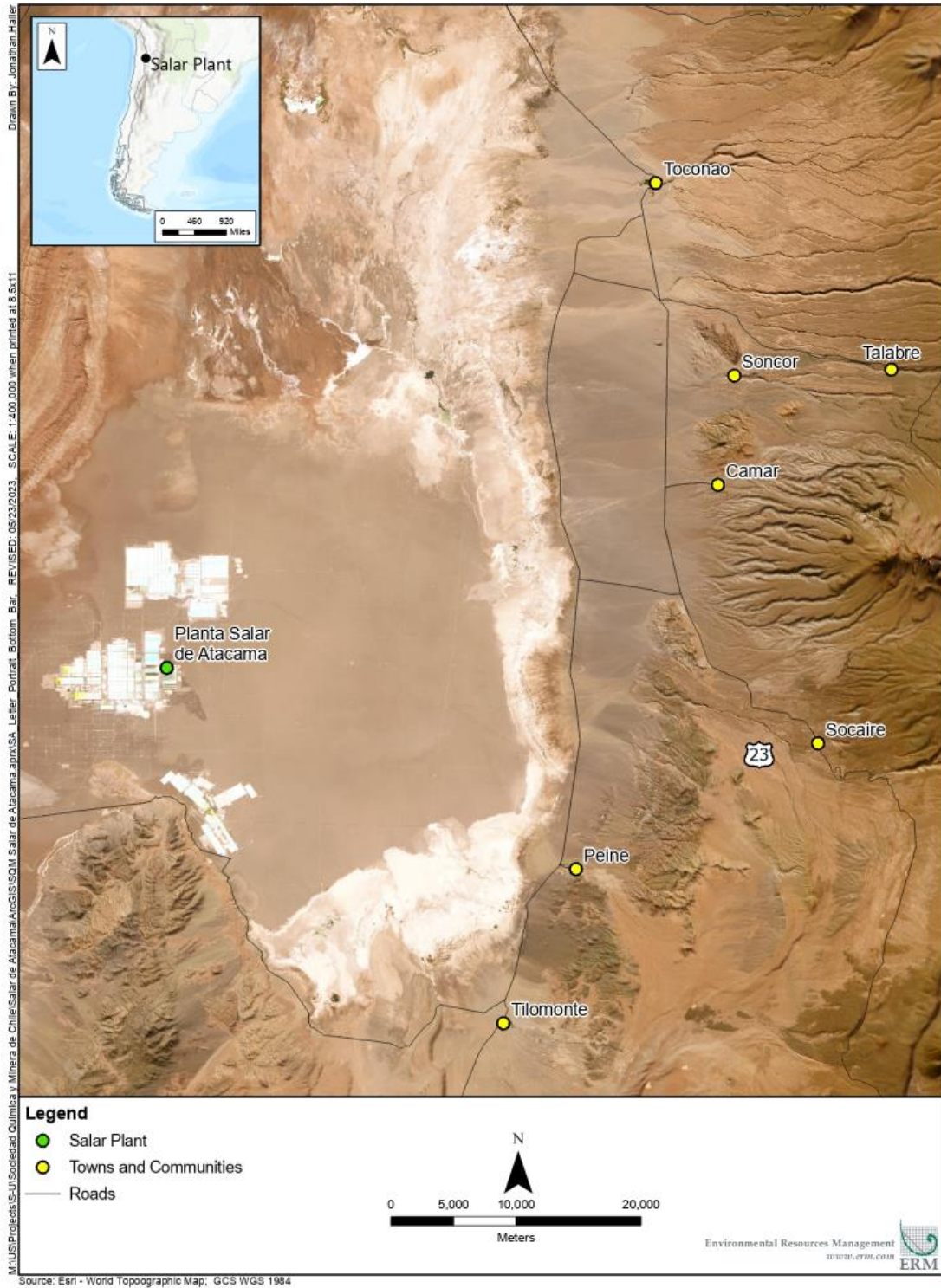


Figure 1 Location of Salar Plant and Surrounding Communities

## 1.2. Overview of Operation

The SQM Salar de Atacama Company, S.A. was formed in 1968 through a joint venture between Compañía Salitrera Anglo Lautaro S.A. ("Anglo Lautaro") and the Production Development Corporation, a Chilean government entity. In 1971, they sold all shares to Corfo, meaning SQM was entirely owned by the Chilean Government until 1983 when Corfo began a process of privatization by selling shares to the public. By 1988, all of SQM's shares were publicly owned.

SQM operates in the Salar de Atacama in northern Chile. This area is known as the "lithium triangle" and holds the largest known deposits of lithium in the world. SQM Salar de Atacama holds executive rights granted by the Chilean government through the Corporation for the Promotion of Production, known as Corfo. The exploration rights are owned by Corfo and leased to SQM Salar de Atacama. The lease agreement was entered into in 1993 and expires on December 31, 2030. This agreement allows for the extraction of mineral resources in an area, of which SQM Salar de Atacama is entitled to exploit the mineral resources in 81,920 hectares.

The lithium is produced through the extraction and evaporation of a salt solution from the Salar de Atacama, located in the Atacama Desert. To extract the lithium, the extremely saline brine is pumped from depths of 1.5 to 150 meters below surface, through a pipeline system, into the extraction basins (ponds). The extraction basins are built with salts left over from potassium and lithium production and lined with geotextile membrane, so no concrete or cement is required. Lithium extraction requires a multi-stage evaporation and purification process, which is controlled by advanced modeling of the thermodynamic conditions. The brine is pumped to a neighboring basin after a defined time. This process simplifies and optimizes the purification of the brine and the precipitation of salts and impurities and is completed after about 13 to 16 months. What is left at the final step is a highly concentrated brine containing up to six percent Lithium (30-35% lithium chloride). The 6% Lithium brine is transported to the processing plant near Antofagasta, where Boron is extracted, leaving lithium carbonate as final product, or converted to hydroxide. Both are exported for the manufacture of lithium foil, which is the essential component of rechargeable batteries. In addition, the operations include secondary activities such as hauling operations, maintenance activities, laboratories, storage facilities, worker camp and administrative offices.

### 1.2.1. Scope of Activities and Facilities Included in Audit

Included in the audit scope are the mining operations at Salar de Atacama including extraction, pumping, and condensation, as well as two production processes associated with potassium sulfate and potassium chloride and truck loading process. Secondary activities within the scope of the assessment include maintenance activities, laboratories, storage facilities, worker camp and administrative offices.



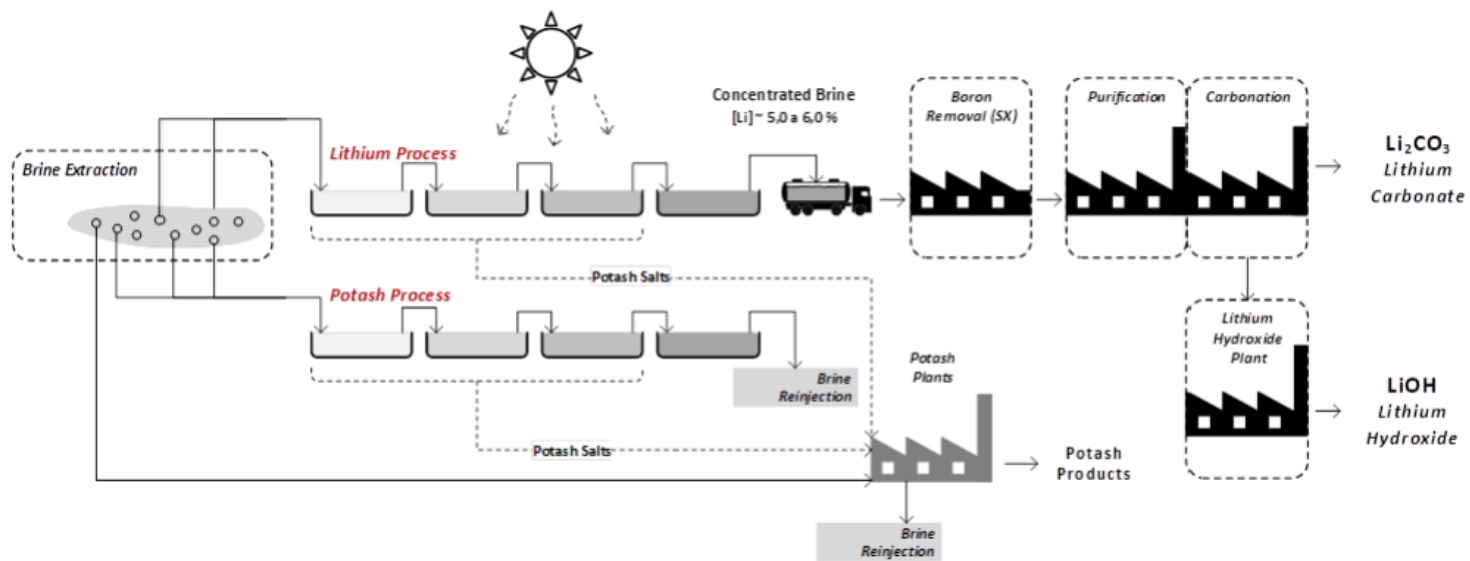


Figure 2 Facility Process Diagram

## 2. Mine Site Assessment Process

### 2.1. Overview of IRMA Process

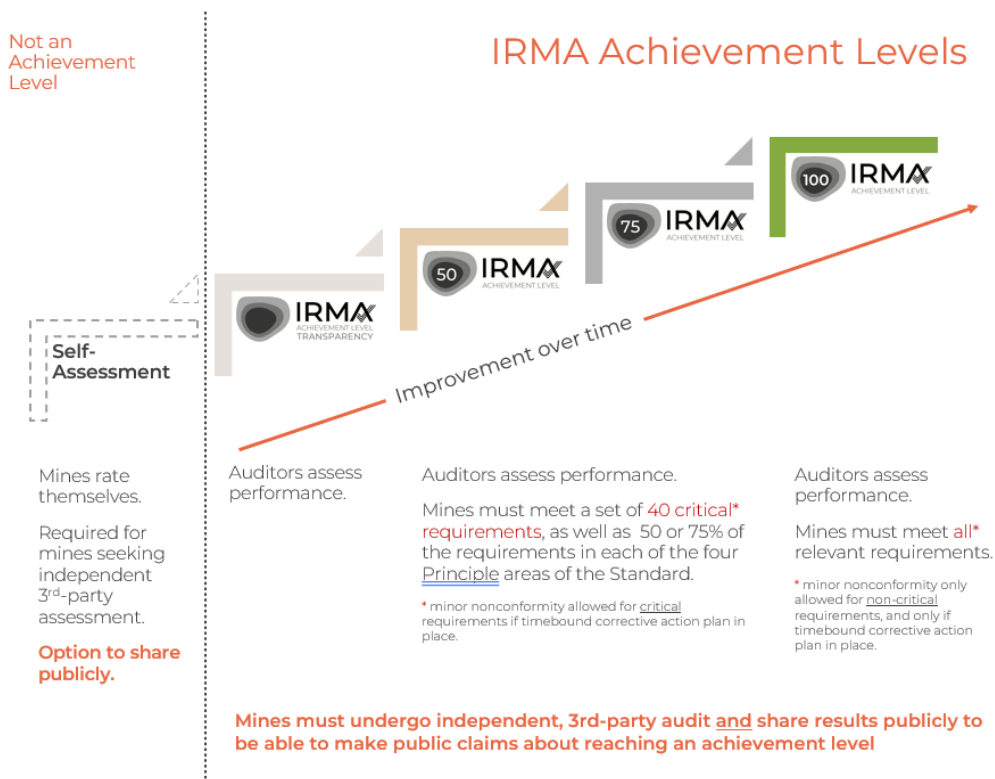
The mine site assessment process begins with mines completing a self-assessment and uploading evidence into an online tool (Mine Measure).<sup>1</sup> When the self-assessment has been completed, the independent, third-party assessment may begin.

Stage 1 of the independent, third-party assessment is a desk review carried out by an IRMA-approved certification body, which puts together a team of auditors to review the self-assessment ratings and evidence provided by the mine site. During this stage of the audit additional information may be requested by auditors. Mines may also choose to take time to make improvements to practices prior to commencement of Stage 2.

Stage 2 is the onsite visit, which includes facility and site-based observations; additional review of materials; interviews with mine site personnel, workers, and stakeholders; and meetings with affected communities.

Based on observations, interviews, and information evaluated during Stage 1 and Stage 2, auditors determine if mines are fully, substantially, partially, or not meeting each of the IRMA Standard requirements relevant at the mine site. The decision regarding a mine site's achievement level is made by the certification body.

**IRMA recognizes four levels of achievement.** For a complete description of the assessment process and achievement levels, see IRMA's Certification Body Requirements, available on IRMA's website.<sup>2</sup>



### **2.1.1. Scope and Limitation of Audits**

Within the IRMA system, the independent, third-party assessment is a process by which mines are assessed by external auditors against the IRMA Standard for Responsible Mining. Audits are conducted by auditors who have undergone IRMA training, meet IRMA competency requirements, and have been deemed to have no conflicts of interest with the mine site under assessment.<sup>3</sup>

Audits are carried out in general conformance with established industry practice for independent audits (i.e., ISO 19011). In addition to document review, audits include onsite visits of relevant facilities, review of records, and interviews with site personnel and relevant stakeholders.

Auditor evaluations are based on the collected audit evidence assessed against the requirements of the IRMA Standard for Responsible Mining.

Professional judgments expressed in auditor comments are based on the facts available at the time of the audit within the limits of the existing data, scope of work, budget, and schedule.

Audit evidence is based on samples of available information. Therefore, there is an element of uncertainty in auditing, and those acting upon the audit conclusions should be aware of this uncertainty.

### **2.1.2. IRMA Complaints Process**

If any IRMA stakeholder wishes to file a complaint related to the mine site assessment process, they may do so by visiting the IRMA website.<sup>4</sup> Details on the complaints process can be found in IRMA's Issues Resolution Procedure.<sup>5</sup>

## **2.2. Audit Process and Timeline**

- SQM completed the initial self-assessment for SQM mine in June 2021.
- ERM CVS carried out an initial Stage 1 desktop audit in March 2022.
- ERM CVS carried out a limited scope virtual audit in April 2022.
- ERM CVS conducted a Stage 2 onsite audit in May/June 2022.

The onsite audit included a series of interviews with mine staff (workers and management team), community representatives, and governmental agencies; documentation reviews; and visits to operational areas. No non-governmental organizations (NGOs) were identified or communicated their interest in participating in the assessment. Further details are provided in Sections 2.3 and 2.4.

## 2.3. Stakeholder Engagement

IRMA requires that stakeholders be engaged as part of the mine site assessment process. Audits are announced by IRMA and certification bodies, and prior to the onsite audit there is additional outreach carried out by certification bodies.

Thirty days prior to the onsite assessment, the Stage 2 assessment was announced on the ERM CVS website, IRMA's website, and through IRMA's free email distribution newsletter. The announcement included an invitation to stakeholders to participate in the assessment. Further, ERM CVS prepared a similar announcement in Spanish that was distributed via email to representatives in the surrounding communities and announced on the ERM CVS website. Community representative contact details were obtained from the SQM Salar de Atacama stakeholder database. Sociedad Quimica y Minera de Chile S.A. (SQM) published ERM CVS's announcement on its website and sent it to local media to inform stakeholders about the participation in the audit process.

As part of the initial stakeholder identification process, all the documents provided by SQM were reviewed. ERM CVS identified stakeholders to interview during the stage 2 assessment, including the five indigenous communities of Socaire, Peine, Talabre, Toconao, and Camar. The audit team also conducted a search and analysis of news and information available about the region, which confirmed the same communities as external stakeholders of SQM Salar. The audit team interviewed representatives of four indigenous communities (Socaire, Talabre, Toconao, and Camar); representatives of the Peine community did not accept the invitation to interview.

Part of the stakeholder identification process included speaking with stakeholders to help identify and confirm any additional interested parties that should be considered within the area of influence. Interested parties who may have been inadvertently omitted from this process are encouraged to register as a stakeholder to receive additional information on the SQM Salar de Atacama assessment as it becomes available and to request their input into ongoing assessments. To register as a stakeholder, submit questions or comments, or request to be interviewed as part of the assessment process. Comments upon request will be kept confidential.

By mail: ERM Certification and Verification Services  
Exchequer Court, 33 St Mary Axe  
London, United Kingdom EC3A 8AA

By email: [post@ermcvs.com](mailto:post@ermcvs.com)

### 2.3.1. Written Comments/Inquiries

ERM CVS did not receive any written comments or queries prior to or during the assessment. A written submission addressed to IRMA, however, was shared with ERM CVS following the Stage 2 onsite audit. The letter and subsequent interview with the stakeholder presented concerns about the potential impacts of lithium mining on flamingo populations in high-altitude, arid environments. Further concern highlighted the need for increased caution and cooperation by mining companies in protecting and facilitating scientific research of flamingo populations in mine-affected areas. The information from the letter and stakeholder interview has been taken into consideration in our assessment. The letter was also shared with Sociedad Quimica y Minera de Chile S.A. (SQM), for their consideration.

### 2.3.2. Mine Staff

The following individuals were interviewed as subject matter experts in one or more topics relevant to the IRMA standard. The positions listed were those held at the time of the audit.

Name (Optional)	Position/Role
Gonzalo Guerrero Yamamoto	SQM President
Luis Gonzalez	Supplier, Contractors
Ivan Soto	Labor Lawyer
Raimundo Allende	Compliance Project Leader
Javiera Herrera	Environmental Lawyer
Valentin Barrera	Sustainability Leader
Gonzalo Aguirre	Vice President of Legal
Javier Silva	Sustainability Manager
Alberto Llona	Compliance Officer
Julio García	Environmental Manager
Gerardo Illanez	CFO Vice President
Leonardo Valenzuela Valencia	CORFO SQM Contract Manager
Luis Acuña Herrera	Superintendent of Operational Risk Management
Jorge Silva Leiva	Risk Management Leader
María José Reyes	Head of Productive Development
Julietta Muñoz	Corporate Risk Manager
Claudia Mendez	Environmental Engineer, Sustainability Area
David Torres	Plant Superintendent
Roberto Astudillo	Plant Manager
Carlos Carmona	Plant 2 Operator
Christian Andres Fernandez Sanchez	Hygiene and Health Management Engineer
Jose Juica	SQM Camp Area Manager
Rafael Contreras	Campameno Administrator
Robert Ayavire	Community Relations
Adrian Becerra	Sustainability Engineer
Ismael Aracena	Environmental Projects Management Assistant
Ximena Aravena	Head of Environment
Edwin Guzman	Superintendent of Hydro Resources and Environment of Hydrology
Nicole Vásquez	Forestry Engineer
Andrés Farías	Environmental Engineer
Matias Colon	Process Engineer

### 2.3.3. Workers/Contractors

ERM CVS facilitated a total of 57 scheduled worker engagements including four group interviews or focus groups with employees and contractors. Due to COVID-19 implications, a strategy of small groups (three to five participants each) was adopted to provide adequate social distancing and health and safety measures. Some interviews occurred with specific topics and employees, such as vulnerable groups, contractors, women, security, and labor union members, while the majority of interviews occurred with other general employees from several different departments.

These engagements took place onsite, at the plant, and in surrounding communities. These employee interviews were facilitated by SQM management personnel but were conducted without management personnel present. Supervisors did not participate in any formal individual or group interviews so as not to bias or pressure employees' responses; however, some supervisors were interviewed individually. Additionally, 34 individuals were interviewed during site tours and documentation reviews.

Date	Meeting Type	Number of Attendees	Female/ Male	Group Type and notes
May 30 – June 7, 2022	Focus Group	6	6 females	Women
May 30 – June 7, 2022	Focus Group	3		Vulnerable people focus
May 30 – June 7, 2022	Focus Group	5		Mixed group
May 30 – June 7, 2022	Focus Group	4		Contractors
May 30 – June 7, 2022	Individuals	5	2 females 3 males	Environmental and social impact assessment / management group

### 2.3.4. Government Agencies

ERM CVS conducted extensive interviews with government agency representatives identified as having authority over or relationship with SQM. The interviews were facilitated by SQM personnel but were conducted without SQM mining personnel present.

#### Government Institution

San Pedro de Atacama Mayor

Education Department of San Pedro de Atacama

Health Department of San Pedro de Atacama

### 2.3.5. Participating Communities and NGOs

During the Stage 2 audit, ERM CVS conducted community meetings with several communities located proximal to the mine or with the potential to be impacted by the mine. Due to time constraints, not all communities beyond the area of direct influence were engaged by ERM CVS auditors. The communities were selected based on the stakeholder mapping undertaken during a reconnaissance trip as a part of the Stage 1 assessment and the outcomes of the Stage 1 assessment. Meetings were held in or near the communities in

meeting locations typically used by the community to facilitate ease of access. Communication and organization of these meetings were facilitated by SQM mining personnel but were conducted by ERM CVS auditors without SQM mining personnel present. Meetings were held in the communities identified below. Spouses of workers were invited to participate in the meetings, with invitations distributed via mine personnel.

Community, NGO Name	Location	Total Number of Attendees
Socaire Community	Community meeting space	3
Talabre Community	Community meeting space	2
Toconao Community	Community meeting space	1
Camar Community	Community meeting space	2
Peine Community		Decline to participate

## 2.4. Summary of Mine Facilities Visited

The following areas were visited or observed during the onsite visit:

<b>Operational areas</b>	Salmuera De-Salting Plant
	Maintenance Shops
	Mine Service Shops
	Processing Plants: MOP I, MOP III, MOP-H1, Excon
<b>Other areas visited</b>	Site Restrooms and Showers
	Dining Rooms
	Monitoring Wells
	Administrative Offices
	Laboratories
<b>Surrounding Communities</b>	Access Routes to Surrounding Communities
	Camar Community

## 3. Summary of Findings

Detailed audit findings on a requirement-by-requirement basis can be found in Appendix 1.

### 3.1. Audit Outcome

The site is recognized as having achieved the level of IRMA 75 based on the performance recorded during the Stage 1 and Stage 2 audits.

### 3.2. Scores by IRMA Standard Principle and Chapter

	Chapter Relevant*	Actual Score	Possible Score	Percent Score
<b>Principle 1: Business Integrity</b>		<b>94.5</b>	<b>116</b>	<b>81.5%</b>
Chapter 1.1—Legal Compliance	Yes	12	16	75%
Chapter 1.2—Community and Stakeholder Engagement	Yes	23	30	77%
Chapter 1.3—Human Rights Due Diligence	Yes	20	22	91%
Chapter 1.4—Complaints Mechanism/Access to Remedy	Yes	18.5	22	84%
Chapter 1.5—Revenue and Payments Transparency	Yes	21	26	81%
<b>Principle 2: Planning for Positive Legacies</b>		<b>127</b>	<b>160</b>	<b>79.4%</b>
Chapter 2.1—Env/Soc Impact Assessment and Management	Yes	48.5	58	84%
Chapter 2.2—Free, Prior and Informed Consent	Yes	20	30	67%
Chapter 2.3—Community Support and Benefits	Yes	15.5	16	97%
Chapter 2.4—Resettlement	No	-	-	-
Chapter 2.5—Emergency Preparedness and Response	Yes	8	12	67%
Chapter 2.6—Planning/Financing Reclamation & Closure	Yes	35	44	80%
<b>Principle 3: Social Responsibility</b>		<b>143.5</b>	<b>172</b>	<b>83.4%</b>
Chapter 3.1—Fair Labor and Terms of Work	Yes	57.5	58	99%
Chapter 3.2—Occupational Health and Safety	Yes	37	46	80%
Chapter 3.3—Community Health and Safety	Yes	13.5	18	75%
Chapter 3.4—Conflict-Affected and High-Risk Areas	No	-	-	-
Chapter 3.5—Security Arrangements	Yes	19.5	32	61%
Chapter 3.6—Artisanal and Small-Scale Mining	No	-	-	-
Chapter 3.7—Cultural Heritage	Yes	16	18	89%
<b>Principle 4: Environmental Responsibility</b>		<b>128.5</b>	<b>142</b>	<b>90.5%</b>
Chapter 4.1—Waste and Materials Management	Yes	33.5	38	88%



	Chapter Relevant*	Actual Score	Possible Score	Percent Score
Chapter 4.2—Water Management	Yes	34.5	38	91%
Chapter 4.3—Air Quality	Yes	13.5	18	75%
Chapter 4.4—Noise and Vibration	Yes	6	6	100%
Chapter 4.5—Greenhouse Gas Emissions	Yes	13	14	93%
Chapter 4.6—Biodiversity, Eco. Serv. and Protected Areas	Yes	28	28	100%
Chapter 4.7—Cyanide Management	No	-	-	-
Chapter 4.8—Mercury Management	No	-	-	-

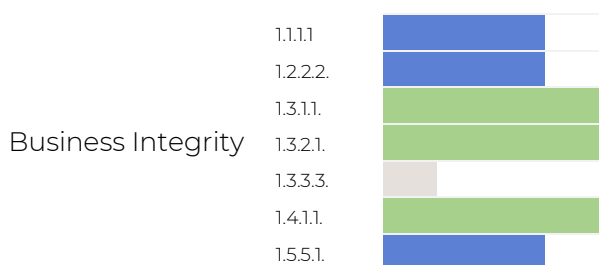
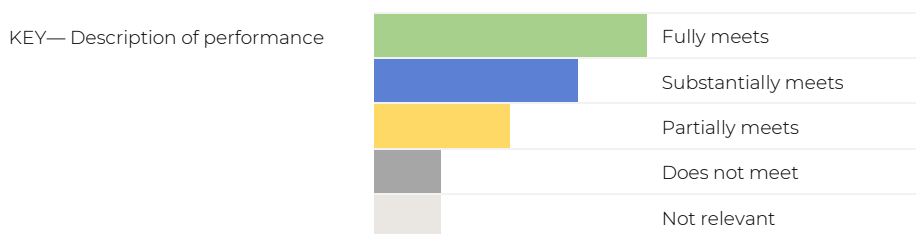
\* Chapters are marked as not relevant if auditors have verified that the issues addressed in the chapter are not applicable at the mine site. For example, if the mine can demonstrate that there is no artisanal and small-scale mining (ASM) occurring near the mine, and the mine does not source materials from ASM operations, then Chapter 3.6 would be marked as not relevant.

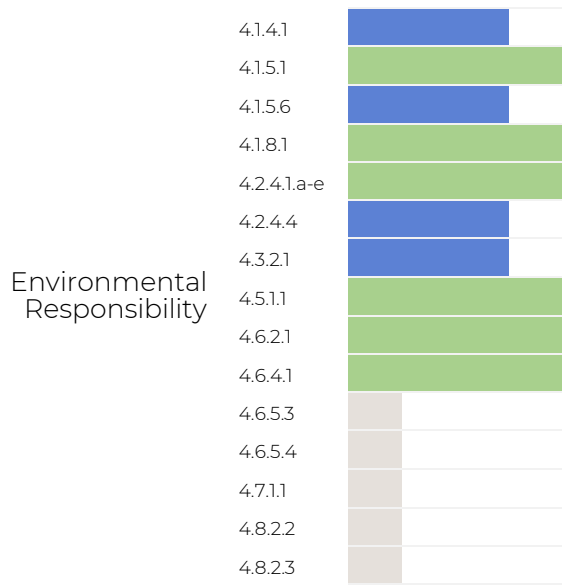
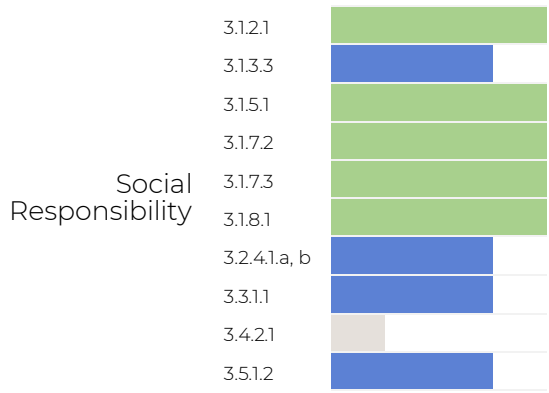
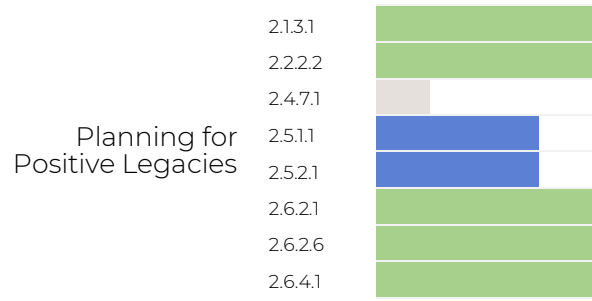
Chapters deemed Not Relevant do not factor into the principle scores.

### 3.3. Performance on Critical Requirements

Critical requirements consist of a set of 40 requirements that have been identified by the IRMA Board of Directors as being core requirements that any mine site claiming to be following good practices in mining should be meeting. Mines seeking to achieve full certification (IRMA 100) must fully meet all critical requirements, and mines achieving IRMA 50 or IRMA 75 must substantially meet all critical requirements, demonstrate progress over time, and fully meet all critical requirements within specified time frames.

#### 3.3.1. Snapshot of Performance on 40 Critical Requirements










### 3.3.2. Performance on 40 Critical Requirements.









RATING LEGEND  
Description of performance

	Fully meets
	Substantially meets
	Partially meets
	Does not meet
	Not relevant

#### Principle 1: Business Integrity

1.1.1.1	The operating company shall comply with all applicable host country laws in relation to the mining project.	
1.2.2.2.	The mine fosters two-way dialogue and meaningful engagement with stakeholders	
1.3.1.1.	The operating company has a policy in place that acknowledges its responsibility to respect all internationally recognized human rights.	
1.3.2.1.	and an ongoing process to identify and assess potential and actual human rights impacts from mining project activities and business relationships.	
1.3.3.3.	The operating company is taking steps to remediate any known impacts on human rights caused by the mine.	
1.4.1.1.	Stakeholders have access to operational-level mechanisms that allows them to raise and seek resolution or remedy for complaints and grievances that may occur in relation to the mining operation.	
1.5.5.1.	The operating company has developed, documented, and implemented policies and procedures that prohibit bribery and other forms of corruption by employees and contractors.	

#### Principle 2: Planning for Positive Legacies

2.1.3.1	The operating company has carried out a process to identify potential impacts (social and environmental) of the mining project.	
2.2.2.2.	New mine sites have obtained the FPIC of indigenous peoples, and existing mines either have obtained FPIC or can demonstrate that they are operating in a manner that supports positive relationships with affected indigenous peoples and provides remedies for past impacts on indigenous peoples' rights and interests.	
2.4.7.1.	If resettlement has occurred, the mine monitors and evaluates its implementation and takes corrective actions until the provisions of resettlement action plans and/or livelihood restoration plans have been met.	
2.5.1.1.	All operations related to the mining project shall have an emergency response plan	
2.5.2.1.	and there is community participation in emergency response planning exercises.	
2.6.2.1.	Reclamation and closure plans are compatible with protection of human health and the environment.	
2.6.2.6.	and are available to stakeholders.	
2.6.4.1.	Financial surety instruments are in place for mine closure and post-closure (including reclamation, water treatment and monitoring).	

### Principle 3: Social Responsibility

3.1.2.1	Workers' freedom of association is respected.	L
3.1.3.3.	Measures are in place to prevent and address harassment, intimidation, and/or exploitation, especially in regard to female workers.	
3.1.5.1.	Workers have access to operational-level mechanisms that allows them to raise and seek resolution or remedy for complaints and grievances that may occur in relation to workplace-related issues.	L
3.1.7.2.	No children (i.e., persons under the age of 18) are employed to do hazardous work	L
3.1.7.3.	and no children under the age of 15 are employed to do non-hazardous work.	L
3.1.8.1.	There is no forced labor at the mine site or used by the operating company.	L
3.2.4.1.a, b	Workers are informed of hazards associated with their work, the health risks involved and relevant preventive and protective measures.	
3.3.1.1.	The risks to community health and safety posed by the mining operation are evaluated and mitigated.	
3.4.2.1.	If operating in a conflict-affected or high-risk area, the mine has committed to not support any parties that contribute to conflict or the infringement of human rights.	—
3.5.1.2.	The mine has policy and procedures in place that align with best practices to limit the use of force and firearms by security personnel.	

### Principle 4: Environmental Responsibility

4.1.4.1.	A risk assessment has been done to identify chemical and physical risks associated with existing mine waste (including tailings) facilities.	
4.1.5.1.	Mine waste facility design and mitigation of identified risks shall be consistent with best available technologies and best available/applicable practices.	L
4.1.5.6.	The operating company regularly evaluates the performance of mine waste facilities to assess the effectiveness of risk management measures, including critical controls for high consequence facilities.	
4.1.8.1.	The mine does not use riverine, submarine or lake disposal for mine wastes.	L
4.2.4.1.a-e	Water quality and quantity are being monitored at the mine site	L
4.2.4.4	and adverse impacts resulting from the mining operation are being mitigated.	
4.3.2.1.	When significant potential impacts on air quality are identified, the mine develops measures to avoid and minimize adverse impacts on air quality, and documents them in an air quality management plan.	
4.5.1.1.	There is a policy being implemented that includes targets for reducing greenhouse gas emissions.	L
4.6.2.1.	The mine has carried out screening to evaluate its potential impacts on biodiversity, ecosystem services and protected areas	L
4.6.4.1.	and these impacts are being mitigated and minimized.	L
4.6.5.3.	New mines are not located in or adversely affect World Heritage Sites (WHS), areas on a State Party's official Tentative List for WHS Inscription, IUCN protected area management categories I-III, or core areas of UNESCO biosphere reserves	—
4.6.5.4.	and existing mines located in those areas ensure that activities during the remaining mine life cycle will not permanently and materially damage the integrity of the special values for which the area was designated or recognized.	L

#### Principle 4: Environmental Responsibility

4.7.1.1.	Gold or silver mines using cyanide are certified as complying with the Cyanide Code.	—
4.8.2.2.	Mercury-containing wastes are not sold or given to artisanal or small-scale miners and are otherwise sold only for end uses covered in the Minamata Convention or disposed of in regulated repositories.	—
4.8.2.3.	Mercury wastes are not permanently stored on site without adequate safeguards.	—

## 4. Next Steps

### 4.1 Corrective Action Plans

To improve the IRMA level of achievement, following the Stage 2 Assessment SQM Mine prepared a corrective action plan (included in Appendix B) to address major non-conformities with critical and other requirements. In October 2022, ERM CVS conducted a follow-up assessment to verify the implementation of corrective actions related to the critical requirements.

SQM Mine is in the process of expanding the corrective action plan to address minor non-conformities to improve performance during the audit cycle.

### 4.2 Disclosure of Summary Audit Report

IRMA requires all mines that undergo independent, third-party auditing disclose a summary audit report within 12 months of an audit to maintain good standing in the IRMA system.

SQM Mine's public audit report will be posted on the IRMA website, and on SQM Mine's profile on the Responsible Mining Map.<sup>6</sup>

### 4.3 Timing of Future Audits

In the IRMA system, mines are allowed a 12-month corrective action period if they are interested in addressing non-conformities with critical or other requirements to reach a higher achievement level or gain recognition for improved performance. This enables them to implement changes and have them verified by auditors without waiting until the surveillance or recertification audit.

SQM has implemented corrective action plans and has worked with ERM CVS to verify that corrective actions are in place addressing deficiencies in critical requirements to achieve IRMA status. Early corrective action verification was conducted by ERM CVS in December 2022.

The mine's surveillance audit will take place no more than 18 months after the publication of this IRMA Initial Assessment Report.

# APPENDIX A—Results by Requirement

## Principle 1: Business Integrity



RATING LEGEND  
Description of performance

	Fully meets
	Substantially meets
	Partially meets
	Does not meet
	Not relevant

Chapter 1.1—Legal Compliance	Basis for Rating
<p>1.1.1.1. <b>Critical</b> The operating company shall comply with all applicable host country laws in relation to the mining project.</p>	<p>SQM is under a complex regulatory framework, including strict financial, mine, and water rights; labor, environmental, ethical, and human rights; and occupational health and safety regulations. SQM has developed a legal compliance process involving different levels and areas of the organization. There is a legal vice presidency with a pool of lawyers with different specialties to advise the company and operational areas regarding the application of these regulations. Each department (HR, Environment, H&amp;S, etc.) also maintains processes to verify compliance.</p> <p>SQM maintains contracts with law firms (VCG abogados and Minute &amp; Olavarria) to facilitate the identification of new regulations. Legal sends this information to operational areas potentially impacted by the new regulation or modification. The impacted areas need to evaluate applicability and define mechanisms to comply with them. Once conducted and the applicability confirmed, the new requirement is included in a compliance matrix.</p> <p>SQM recently began the formalization / documentation for these processes to systematize them and ensure consistency in their implementation, including developing procedures and matrices of legal requirements for each area (environmental, H&amp;S, labor, contract, human rights, anti-corruption, etc.). The level of development of these new procedures differs from area to area, with the environmental area being the most advanced in its implementation.</p> <p>The risks and compliance management area are working on implementing a compliance management system based on the ISO 37301 standard, which will allow the organization to have a better understanding of all compliance</p>

Chapter 1.1—Legal Compliance

Basis for Rating

		<p>obligations, with an initial focus on ethics and anticorruption issues.</p> <p>SQM is subject to strict scrutiny by government agencies including CORFO (Corporación de Fomento de la Producción, owner of the Atacama Salar de Atacama), Environmental Superintendence, Health Service, and National Geology and Mining Service (SERNAGEOMIN), which conduct annual inspections and audits. In case of findings, corrective actions are defined, implemented, and verified for closing. Reports are prepared to notify the agencies of the status of correction. In addition, internal compliance audits and third-party audits are periodically performed. From these findings, corrective actions are defined and use a tracking process to verify that implementation is in place.</p> <p>Verification of the effectiveness of the new compliance tools should be performed during the next surveillance assessment.</p>
<p>1.1.2.1. The operating company shall comply with whichever provides the greatest social and/or environmental protections of host country law or IRMA requirements. If complying fully with an IRMA requirement would require the operating company to break host country law then the company shall endeavor to meet the intent of the IRMA requirement to the extent feasible without violating the law.</p>		<p>SQM reviewed IRMA requirements and is working to develop and implement processes/procedures to meet these new requirements. However, there is no evidence that the company has clearly identified the IRMA requirements that should be included as new compliance obligations, and those that are more restrictive or protective than the Chilean legal requirements. The current compliance matrices do not include these new IRMA requirements. There is no evidence that a formal evaluation of IRMA requirements that could conflict with Chilean regulations has been carried out.</p>
<p>1.1.3.1. If non-compliance with a host country law has taken place, the operating company shall be able to demonstrate that timely and effective action was taken to remedy the non-compliance and to prevent further non-compliances from recurring.</p>		<p>A rigorous process for corrective actions definition and tracking is followed in cases of regulatory noncompliance issues raised by government agencies and incidents/accidents. Reports and progress reports are prepared and submitted to the agencies for review and approval. Focus is on environmental, CORFO contract requirements, water, and mining rights. Every operational and supporting area (environmental, H&amp;S, labor, HR, compliance, etc.) has implemented its own process to address non-compliance issues. In some cases, electronic platforms (ZYGHT, Global Suite, SAP) are used, and in other cases the issues are managed through more manual processes such as Excel spreadsheets.</p> <p>Currently, SQM is working to implement electronic systems to manage compliance issues in a more systematic way to facilitate tracking and timely closure. However, the variability in the mechanisms and tools to manage non-compliance issues increases the risks of losing track for completion, particularly in case of personnel changes.</p>



## Chapter 1.1—Legal Compliance

## Basis for Rating

<p>1.1.4.1. The operating company shall demonstrate that it takes appropriate steps to ensure compliance with the IRMA Standard by contractors engaged in activities relevant to the mining project.</p>	<p>SQM Salar de Atacama has policies or other documents or correspondence that convey to contractors the operating company's expectations related to environmental and social performance (and that expectations are consistent with IRMA requirements), and contractors are aware that they are expected to achieve a certain environmental and social performance level as required by the operating company. There is a robust selection process, supported by an electronic platform, which includes environmental, health, safety and social requirements, in order to approve suppliers and contractors.</p> <p>● These requirements are clearly defined in the contracts. Not complying with these requirements could generate contract termination. An ongoing contracts evaluation process is in place.</p> <p>An initial review of these conditions and expectations demonstrates compliance with the main IRMA requirements for contractors. However, SQM is working on a more detailed evaluation to ensure that all specific IRMA requirements are included as contractor performance expectations and properly communicated.</p>
<p>1.1.5.1. The operating company shall maintain records and documentation sufficient to authenticate and demonstrate compliance and/or non-compliance with host country laws and the IRMA Standard.</p>	<p>● SQM has developed a legal compliance process involving different levels of the organization (legal compliance flow). SQM maintains records and documentation sufficient to demonstrate compliance/non-compliance with Chilean regulations. However, SQM has not finished defining the process to identify documentation needed to demonstrate full conformance with IRMA requirements.</p>
<p>1.1.5.2. Records related to compliance and/or non-compliance with host country laws shall be made available to IRMA auditors, and shall include descriptions of non-compliance events and ongoing and final investigations, allegations, discussions, and final remedies.</p>	<p>● SQM maintains records related to compliance and/or non-compliance with Chilean regulations/laws, which were available to IRMA auditors. Documents included descriptions of non-compliance events and ongoing and final investigations, allegations, discussions, and final remedies. Also, a tracking process is in place. However, there is no systematic and standardized approach to organize and maintain these records/documents through the different operational and support areas of the organization, making it difficult in some instances to retrieve them.</p>
<p>1.1.5.3. Upon request, operating companies shall provide stakeholders with a summary of the mining project's regulatory non-compliance issues that are publicly available.</p>	<p>● SQM details the percentage of regulatory compliance in the sustainability reports, which are available on its website. No specific details or compliance reports are available for the public on the SQM website. SQM has implemented a procedure to respond to requests from stakeholders, but the means to communicate</p>

Chapter 1.1—Legal Compliance	Basis for Rating
	regulatory compliance status has not yet been clearly defined or communicated.
<p>1.1.5.4. Where the operating company claims that records or documentation contains confidential business information, it shall:</p> <ul style="list-style-type: none"> <li>a. Provide to auditors a general description of the confidential material and an explanation of the reasons for classifying the information as confidential; and</li> <li>b. If a part of a document is confidential, only that confidential part shall be redacted, allowing for the release of non-confidential information.</li> </ul>	<p style="text-align: center;"><b>L</b></p> <p>In general, all documents were available for review. In general terms, the confidentiality of the documents is determined by local legal requirements (e.g., confidentiality in personnel medical records or complaints).</p>

Chapter 1.2—Community and Stakeholder Engagement	Basis for Rating
<p>1.2.1.1. The operating company shall undertake identification and analysis of the range of groups and individuals, including community members, rights holders and others (hereafter referred to collectively as “stakeholders”) who may be affected by or interested in the company’s mining-related activities.</p>	<p style="text-align: center;"><b>L</b></p> <p>Stakeholder identification and analysis initially undertaken in 2019. The Stakeholder Engagement Plan includes vulnerable communities and indigenous peoples and identifies stakeholders at the national, provincial and community levels. Stakeholders are ranked based on their power and interest.</p> <p>During the visit to SQM Salar, the SQM team presented the survey and identified interested parties that are systematized through a specific software (MRisk). This information is being updated, as well as the manifestations sent by these interested parties. However, the SEP is still based on secondary data. SQM hired an independent company to carry out the primary data collection, but this is not yet consolidated. Regarding the Stakeholder engagement, SQM Salar came into operation in the 1990s and only started stakeholder engagement with local communities, including indigenous communities, in 2017/2018. This gap resulted in a distrust of local communities in relation to the interests and activities carried out by the mine. This lack of communication and distrust on the part of stakeholders has demanded a slow and gradual approach from the SQM team to all stakeholders. Thus, the identification and analysis of stakeholders has not yet been fully carried out as the stakeholders themselves expect, including, for example, all indigenous communities in a participatory manner.</p>
<p>1.2.1.2. A stakeholder engagement plan scaled to the mining project’s risks and impacts and stage of development shall be developed, implemented and updated as necessary.</p>	<p style="text-align: center;"><b>L</b></p> <p>SEP in place and intent to update during 2022. SEP lacks a clear strategy and timetable for sharing information and consulting with each of the stakeholder groups identified. There is no description of the resources and responsibilities for implementing stakeholder engagement activities. The SEP does not include risks and</p>



## Chapter 1.2—Community and Stakeholder Engagement

## Basis for Rating

		<p>impacts assessment due to the SQM Salar de Atacama operation.</p> <p>According to the provided documents and the interviews with external stakeholders and SQM team, the mine is providing a stakeholder engagement following the best practices; however, they carried out SEP according to this requirement during 2022.</p>
<p>1.2.1.3. The operating company shall consult with stakeholders to design engagement processes that are accessible, inclusive and culturally appropriate, and shall demonstrate that continuous efforts are taken to understand and remove barriers to engagement for affected stakeholders (especially women, marginalized and vulnerable groups).</p>	<p>L</p>	<p>Considering the documents presented, and especially the interviews carried out with representatives of indigenous communities, in addition to residents and representatives of the local government, SQM Salar de Atacama has carried out stakeholder engagements and projects following good practices in community relations.</p> <p>Through the interviews carried out, it was verified that SQM contemplates the specificities of each population group, mainly indigenous people, as well as their culture and local vulnerabilities. It was verified that the contact made with the indigenous communities through their representatives was a decision of all the indigenous people in assembly.</p>
<p>1.2.1.4. The operating company shall demonstrate that efforts have been made to understand community dynamics in order to prevent or mitigate community conflicts that might otherwise occur as a result of company engagement processes.</p>	<p>L</p>	<p>According to interviews carried out with the SQM team responsible for stakeholder engagement and with representatives of indigenous communities, which are also the communities surrounding the mine, the engagement carried out in recent years has been dedicated to mapping potential conflicts and grievances, and mitigation measures for these conflicts.</p> <p>Based on communities, all demands on communication and projects have been covered by SQM Salar de Atacama and included in negotiation tables. The engagement and communication routines are proposed by the communities, individually and respecting the request of each community.</p>
<p>1.2.2.1. Stakeholder engagement shall begin prior to or during mine planning, and be ongoing, throughout the life of the mine. (Note: existing mines do not need to demonstrate that engagement began prior to mine planning)</p>	<p>●</p>	<p>According to the interviews carried out with the SQM team responsible for stakeholder engagement and with representatives of indigenous communities, in addition to the revised documents, they indicate that stakeholder engagement has been carried out since mid-2018. However, according to the documents presented by SQM, and mainly interviews with representatives of the local communities, this engagement is recent and went many years without any contact. Thus, although there is currently an engagement, it is very recent and not yet consolidated by the communities.</p>

## Chapter 1.2—Community and Stakeholder Engagement

## Basis for Rating

<p>1.2.2.2. <b>Critical</b> The operating company shall foster two-way dialogue and meaningful engagement with stakeholders by:</p> <ol style="list-style-type: none"> <li>Providing relevant information to stakeholders in a timely manner;</li> <li>Including participation by site management and subject-matter experts when addressing concerns of significance to stakeholders;</li> <li>Engaging in a manner that is respectful, and free from manipulation, interference, coercion or intimidation;</li> <li>Soliciting feedback from stakeholders on issues relevant to them; and</li> <li>Providing stakeholders with feedback on how the company has taken their input into account.</li> </ol>		<p>Sustainability, Ethics and Human Rights Policy states on 5.A.I the requirement for informed and transparent participation with indigenous communities, in a culturally appropriate manner. Pertinent participation is mentioned along with several mechanisms of dialogue, such as cooperation agreements, worktables, community rounds, information channels, participatory monitoring, and grievance management. Documents provided evidence of the working mechanisms of the working tables such as the environmental one or the emergency one.</p>
<p>1.2.2.3. The operating company shall collaborate with stakeholders, including representatives from affected communities, to design and form stakeholder engagement mechanism(s) (e.g., a permanent advisory committee, or committees dedicated to specific issues), to provide stakeholder oversight of the mining project's environmental and social performance, and/or input to the company on issues of concern to stakeholders.</p>		<p>SQM Salar de Atacama created, in partnership with local communities, environments for joint negotiation, called worktables. Through these tables, negotiations have been legally registered and formalized through agreements. The agreements signed and being prepared present the demands of the communities, and also how they will be met and when. All stages of negotiations are shared with all residents of indigenous communities through an assembly, following the culture and protocol proposed by the communities.</p>
<p>1.2.2.4. Engagement processes shall be accessible and culturally appropriate, and the operating company shall demonstrate that efforts have been made to include participation by women, men, and marginalized and vulnerable groups or their representatives.</p>	<p>L</p>	<p>According to community leaders and residents interviewed, SQM Salar de Atacama has adopted actions and communication channels suited to local cultural characteristics, which include the hierarchy and decision-making process of these communities. Additionally, the company has fostered projects and agreements with all indigenous communities focused on reducing social vulnerabilities, both through self-sufficiency in access to water and energy, as well as boosting income generation through agriculture and handicraft projects.</p> <p>Additionally, the team directly involved with the communities has adequate knowledge about local vulnerabilities and specificities, in addition to being partially composed of professionals from indigenous communities. In total, at least four workers from the community relationship team are indigenous.</p>
<p>1.2.2.5. When stakeholder engagement processes depend substantially on community representatives, the operating company shall demonstrate that efforts have been made to confirm whether or not such persons represent the views and interests of affected community members and can be relied upon to faithfully communicate relevant information to them. If this is not the case, the operating company shall</p>	<p>L</p>	<p>According to interviews carried out with representatives and residents of indigenous communities, historically and culturally, all decisions and negotiations are carried out in an assembly with the presence of all indigenous residents and guests. Thus, through the assemblies, information is passed on and decisions are taken with the participation of all the indigenous people present. According to the</p>

## Chapter 1.2—Community and Stakeholder Engagement

## Basis for Rating

<p>undertake additional engagement processes to enable more meaningful participation by and information sharing with the broader community.</p>		<p>interviewees, only invited non-indigenous people can participate in the assemblies, only speak when allowed, and must participate only during their authorized times.</p> <p>In this way, due to the demands of the indigenous communities, which are organized around a committee of representatives elected by all the indigenous people of each community, the engagement with any company, including SQM Salar, must occur through the representative committee.</p> <p>Additionally, communication materials were identified that publicize the company's actions in the communities, mainly in relation to social projects.</p>
<p>1.2.2.6. The operating company shall document engagement processes, including, at minimum, names of participants, and input received from and company feedback provided to stakeholders.</p>	<p>L</p>	<p>The SQM internal record system includes all communication with interested parties, and documents show any agreements made. Examples of communication are emails, with names of those involved in both parties, the send date, and confirmation of receipt. Other documents presented are minutes of meetings and agreements signed by representatives of companies and communities.</p>
<p>1.2.2.7. The operating company shall report back to affected communities and stakeholders on issues raised during engagement processes.</p>	<p>⊕</p>	<p>Since mid-2018, SQM started communicating with communities in a participatory way and received feedback, according to the revised documents and interviews. Although much information requested by stakeholders is shared with communities, there are still many unmet demands, particularly in relation to the impacts of mine operation on environmental factors such as water and air quality. According to the stakeholders interviewed, the main demands for information refer to the mine's impacts on the quantity and quality of water used by indigenous communities, and air quality. According to the same interviewees, although the company has provided information on the environmental monitoring carried out, there is still no response on the impacts on water and air.</p>
<p>1.2.3.1. The operating company shall offer to collaborate with stakeholders from affected communities to assess their capacity to effectively engage in consultations, studies, assessments, and the development of mitigation, monitoring and community development strategies. Where capacity gaps are identified, the operating company shall offer appropriate assistance to facilitate effective stakeholder engagement.</p>	<p>L</p>	<p>According to interviews carried out with community representatives and some residents, SQM Salar de Atacama has made available human and financial resources to facilitate stakeholder participation and engagement, including funding from independent experts in matters of interest to the communities. Although this information is not systematized in a single document, the minutes of meetings and agreements signed show that SQM has evaluated the engagement carried out, identified possible gaps, and met demands that minimize these gaps.</p>

## Chapter 1.2—Community and Stakeholder Engagement

### Basis for Rating

<p>1.2.4.1. Any information that relates to the mine's performance against the IRMA Standard shall be made available to relevant stakeholders upon request, unless the operating company deems the request to be unreasonable or the information requested is legitimate confidential business information. If part of a document is confidential only that confidential part shall be redacted, allowing for the release of non-confidential information.</p>		<p>All representatives of indigenous communities interviewed mentioned that information about the mine's impacts on air and water quality is their main demand. All mentioned having already requested this information and the opportunity to review the monitoring carried out by SQM. The company started the monitoring review in a participatory way with the communities; however, the representatives have not yet received this information. In addition to the interviews carried out, the agreements signed between the company and the communities include reviewing the environmental monitoring carried out in order to respond to these questions from the stakeholders.</p>
<p>1.2.4.2. If original requests for information are deemed unreasonable, efforts shall be made by the operating company to provide stakeholders with overviews or summaries of the information requested.</p>		<p>According to the interviews carried out and documents analyzed, unreasonable or unjustified questioning was not identified.</p>
<p>1.2.4.3. Communications shall be carried out and information shall be provided to stakeholders in a timely manner, and shall be in formats and languages that are culturally appropriate and accessible to affected communities and stakeholders</p>		<p>Communications in a participatory manner and aiming at engagement began around mid-2018, according to the interviews carried out. Stakeholders have indicated communications have improved over this period, but indigenous communities still demand information on environmental impacts that has not been shared in the appropriate language and depth.</p>
<p>1.2.4.4. If requests for information are not met in full, or in a timely manner, the operating company shall provide stakeholders with a written justification for why it has withheld information.</p>		<p>Considering the interviews carried out with representatives of indigenous communities, much of the information or clarifications are provided in a timely manner. However, many questions about the environmental impacts of the mine operation on water use and air quality have not yet been satisfactorily answered by the community. According to all the information provided by SQM Salar de Atacama and interviews, this information is made available through the ministry of health website, which is not easily accessed by communities; therefore, these questions remain unanswered.</p>

## Chapter 1.3—Human Rights Due Diligence

### Basis for Rating

<p>1.3.1.1. <b>Critical</b> The operating company shall adopt a policy commitment that includes an acknowledgement of its responsibility to respect all internationally recognized human rights</p>	<p>L</p>	<p>The Sustainability, Ethics and Human Rights Policy is dated April 2021. The policy states SQM respects and promotes human rights in accordance with current national and international standards. The Policy adheres to the United Nations Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights, Convention 169 on Indigenous and Tribal Peoples of the</p>
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## Chapter 1.3—Human Rights Due Diligence

## Basis for Rating

		<p>International Labor Organization, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights of the United Nations.</p>
<p>1.3.1.2. The policy shall:</p> <ol style="list-style-type: none"> <li>Be approved at the most senior level of the company;</li> <li>Be informed by relevant internal and/or external expertise;</li> <li>Stipulate the operating company's human rights expectations of personnel, business partners and other parties directly linked to its mining project;</li> <li>Be publicly available and communicated internally and externally to all personnel, business partners, other relevant parties and stakeholders;</li> <li>Be reflected in the mining project's operational policies and procedures.</li> </ol>	<p>L</p>	<p>The Sustainability, Ethics and Human Rights Policy was issued by the general manager in April 2021. It commits to respecting and promoting human and labor rights of community members, personnel, suppliers, and contractors.</p> <p>Evidence is indicated for all sub-requirements that refer to these requirements below:</p> <ol style="list-style-type: none"> <li>The Human Rights Policy is signed by the company's general manager.</li> <li>SQM presented evidence, such as minutes of meetings and emails, indicating that the Human Rights Policy was informed by internal specialists (such as the directors of each area and the SQM sectors of human resources, stakeholder engagement and community relations) and/or external sources (such as consultants hired to work with indigenous communities).</li> <li>The Human Rights Policy mentions both internal stakeholders, such as workers, and external stakeholders (suppliers, business partners, customers, and local communities).</li> <li>SQM presented evidence of policy disclosure, such as emails, posters, and minutes of meetings, where the Human Rights Policy was shared with internal and external stakeholders. Knowledge and access to the policy were confirmed in the interviews.</li> <li>Several operational procedures and implemented policies associated with the Human Rights Policy were verified, such as: <ul style="list-style-type: none"> <li>- Training to prevent harassment and risks to workers</li> <li>- Opening, monitoring, and forwarding reporting channels</li> <li>- Support and funding for indigenous communities, among others.</li> </ul> </li> </ol>
<p>1.3.2.1. <b>Critical</b> The operating company shall establish an ongoing process to identify and assess potential human rights impacts (hereafter referred to as human rights "risks") and actual human rights impacts from mining project activities and business relationships. Assessment of human rights risks and impacts shall be</p>	<p>L</p>	<p>SQM's current human rights assessment includes inputs from workers, contractors, and local external stakeholders, such as indigenous communities. In December 2022, SQM presented a human rights study, which includes diagnoses with primary and secondary data, and risks and</p>

## Chapter 1.3—Human Rights Due Diligence




## Basis for Rating

		<p>updated periodically, including, at minimum, when there are significant changes in the mining project, business relationships, or in the operating environment.</p>	<p>impacts assessment. This new study also includes internal and external stakeholders, mainly indigenous communities. In addition, there is evidence that this study and its results were shared with internal (workers) and external (contractors and communities) stakeholders. The document indicates that it is updated periodically, following the adopted participatory methodology.</p>
<p>1.3.2.2. Assessments, which may be scaled to the size of the company and severity of human rights risks and impacts, shall:</p> <ul style="list-style-type: none"> <li>a. Follow a credible process/methodology;</li> <li>b. Be carried out by competent professionals; and</li> <li>c. Draw on internal and/or external human rights expertise, and consultations with potentially affected rights holders, including men, women, children (or their representatives) and other vulnerable groups, and other relevant stakeholders.</li> </ul>	<p>L</p>	<p>The assessment of human rights risks and impacts was completed in December 2022, and the documents presented regarding the methodology adopted with all the groups and experts responsible for the study confirm that all sub-requirements were met.</p>	
<p>1.3.2.3. As part of its assessment, the operating company shall document, at minimum:</p> <ul style="list-style-type: none"> <li>a. The assessment methodology;</li> <li>b. The current human rights context in the country and mining project area;</li> <li>c. Relevant human rights laws and norms;</li> <li>d. A comprehensive list of the human rights risks related to mining project activities and business relationships, and an evaluation of the potential severity of impacts for each identified human rights risk;</li> <li>e. The identification of rights holders, an analysis of the potential differential risks to and impacts on rights holder groups (e.g., women, men, children, the elderly, persons with disabilities, indigenous peoples, ethnic or religious minority groups, and other disadvantaged or vulnerable groups), and a disaggregation of results by rights holder group;</li> <li>f. Recommendations for preventing, mitigating and remediating identified risks and impacts, giving priority to the most salient human rights issues.</li> </ul>	<p>L</p>	<p>The Human Rights Risks and Impacts Assessment was not concluded until June 2022, and only included secondary data. In this way, there was no evidence regarding all sub-requirements, mainly "e" and "f".</p> <p>In December 2022, SQM presented the final Human Rights and Risks and Impacts Assessment ("Asesoría para el Levantamiento Participativo de información en Derechos Humanos"). This document includes evidence supporting all sub-requirements. In addition, the presentation file of this document also presents the content shared with the internal and external stakeholders, mainly the HRIA results according to the stakeholder group. The participation in these documents and activities was confirmed by indigenous community representatives. The Human Rights Risks and Impacts Assessment was concluded and includes all sub-requirements.</p>	
<p>1.3.2.4. At minimum, stakeholders and rights holders who participated in the assessment process shall have the opportunity to review draft key issues and findings that are relevant to them, and shall be consulted to provide feedback on those findings.</p>	<p>L</p>	<p>According to the final Human Rights and Risks and Impacts Assessment ("Asesoría para el Levantamiento Participativo de información en Derechos Humanos"), SQM provided primary data from internal and external stakeholders. In addition, the presentation file of this document also presents the content shared with internal and external stakeholders, which evidences the stakeholder's participation. The participation in the assessment process was confirmed by indigenous community representatives, and also documents such as emails and attendance lists.</p>	



## Chapter 1.3—Human Rights Due Diligence

## Basis for Rating

		Stakeholders and rights holders participated in this evaluation.
<p>1.3.2.5. The operating company shall demonstrate that steps have been taken to effectively integrate assessment findings at the mine site operational level.</p>		<p>SQM presented the final Human Rights and Risks and Impacts Assessment ("Asesoría para el Levantamiento Participativo de información en Derechos Humanos"). This document, associated with the previous HRIA and the projects implemented internally and externally, confirms that SQM is integrating its assessment findings at the mine site operation level. Among the examples are how the company is conducting their community relationship, the improvement of the grievance system, and the policies implemented to reduce discrimination against vulnerable groups, such as women, the LGBTQIA+ community, and indigenous communities.</p> <p>However, according to the findings presented on the "Asesoría para el Levantamiento Participativo", mainly regarding the workers and suppliers, there are important human rights that demand more measures from SQM, such as the fight against moral and physical harassment and bullying.</p>
<p>1.3.3.1. Mining project stakeholders shall have access to and be informed about a rights-compatible grievance mechanism and other mechanisms through which they can raise concerns and seek recourse for grievances related to human rights.</p>		<p>According to the documents submitted and emails shared, the grievance mechanism is available on a website and SQM Salar de Atacama has adopted ways to share this mechanism with stakeholders. There is a procedure for the flows and recording of all complaints. The SQM team presented the information management platform and actions taken regarding all complaints made.</p>
<p>1.3.3.2. Responding to human rights risks related to the mining project:</p> <ol style="list-style-type: none"> <li>a. If the operating company determines that it is at risk of causing adverse human rights impacts through its mining-related activities, it shall prioritize preventing impacts from occurring, and if this is not possible, design strategies to mitigate the human rights risks. Mitigation plans shall be developed in consultation with potentially affected rights holder(s).</li> <li>b. If the operating company determines that it is at risk of contributing to adverse human rights impacts through its mining-related activities, it shall take action to prevent or mitigate its contribution, and use its leverage to influence other contributing parties to prevent or mitigate their contributions to the human rights risks.</li> <li>c. If the operating company determines that it is at risk of being linked to adverse human rights</li> </ol>		<p>According to the previous HRIA, and updated with the primary data HR assessment, there are no adverse human rights impacts through SQM Salar activities that cannot be prevented. In this way, the company is developing projects to prevent them, mainly considering the workers and the indigenous community, such as implementing an internal and external grievance system and promoting internal campaigns. In addition, there is evidence that the SQM team is monitoring its suppliers to prevent any direct or indirect human rights risks.</p>

## Chapter 1.3—Human Rights Due Diligence

## Basis for Rating

<p>impacts through its business relationships, it shall use its leverage to influence responsible parties to prevent or mitigate their risks to human rights from their activities.</p>		
<p>1.3.3.3. <b>Critical</b> Responding to actual human rights impacts related to the mining project:</p> <ul style="list-style-type: none"> <li>a. If the operating company determines that it has caused an actual human rights impact, the company shall: <ul style="list-style-type: none"> <li>i. Cease or change the activity responsible for the impact; and</li> <li>ii. In a timely manner, develop mitigation strategies and remediation in collaboration with affected rights holders. If mutually acceptable remedies cannot be found through dialogue, the operating company shall attempt to reach agreement through an independent, third-party mediator or another means mutually acceptable to affected rights holders;</li> </ul> </li> <li>b. If the operating company determines that it has contributed to an actual human rights impact, the company shall cease or change any activities that are contributing to the impact, mitigate and remediate impacts to the extent of its contribution, use its leverage to influence other contributing parties to cease or change their activities, and mitigate and remediate the remaining impact;</li> <li>c. If the operating company determines that it is linked to an actual human rights impact through a business relationship the company shall use its leverage to prevent or mitigate the impact from continuing or recurring; and</li> <li>d. The operating company shall cooperate with other legitimate processes such as judicial or State-based investigations or proceedings related to human rights impacts that the operating company caused, contributed to, or was directly linked to through its business relationships.</li> </ul>	—	<p>From the documentation reviewed, there is no evidence of actual human rights impacts related to the site.</p>
<p>1.3.4.1. The operating company shall monitor whether salient adverse human rights risks and impacts are being effectively addressed. Monitoring shall include qualitative and quantitative indicators, and draw on feedback from internal and external sources, including affected rights holders.</p>	⊕	<p>There is evidence of the monitoring of indicators related to the complaints made, hiring of suppliers, and the inclusion of women in the SQM Salar operation. In addition, in December 2022, SQM presented the final Human Rights and Risks and Impacts Assessment (“Asesoría para el Laventamiento Participativo de información en Derechos Humanos”). Considering this document and the previous documents analyzed and interviews carried out, SQM has mechanisms and tools to monitor salient adverse human rights risks and impacts. However, according to the results of the workers’ and suppliers’ perceptions, and the interviews carried out in June 2022, the internal and external stakeholders don’t have feedback about the monitored indicators.</p>

## Chapter 1.3—Human Rights Due Diligence

## Basis for Rating

<p>1.3.4.2. External monitoring of an operating company's human rights due diligence shall occur if the company's due diligence efforts repeatedly fail to prevent, mitigate or remediate actual human rights impacts; or if its due diligence activities failed to prevent the company from unknowingly or unintentionally causing, contributing to or being linked to any serious human rights abuse. Additionally:</p> <ul style="list-style-type: none"> <li>a. The company shall fund the external monitoring; and</li> <li>b. The form of such monitoring, and selection of external monitors, shall be determined in collaboration with affected rights holders.</li> </ul>	—	<p>There is no evidence that the company's human rights due diligence in relation to the mining project has repeatedly failed in the prevention, mitigation, or remediation of human rights impacts, and no evidence that the company has unknowingly or unintentionally caused serious human rights abuses).</p>
<p>1.3.5.1. The operating company or its corporate owner shall periodically report publicly on the effectiveness of its human rights due diligence activities. At minimum, reporting shall include the methods used to determine the salient human rights issues, a list of salient risks and impacts that were identified, and actions taken by the operating company to prevent, mitigate and/or remediate the human rights risks and impacts.</p>	L	<p>The SQM Sustainability Report 2021 presented the adopted methodology in the HRIA and the main results considering the salient issues, sub-salient issues, human rights affected, and the mitigation actions implemented by the company. This document also mentions that these results include the HRIA carried out in San Pedro de Atacama, where SQM Salar is located. In this way, this document publishes the HRIA scope. In addition, there is evidence that the results of the primary data and the HRIA were presented to internal and external SQM Salar stakeholders. SQM Salar reports publicly its HRIA through the SQM Sustainability Report and the presentation to workers, suppliers, and local communities.</p>
<p>1.3.5.2. If relevant, the operating company shall publish a report on external monitoring findings and recommendations to improve the operating company's human rights due diligence, and the operating company shall report to relevant stakeholders and rights holders on its plans to improve its due diligence activities as a result of external monitoring recommendations.</p>	—	<p>There is no evidence that the company's human rights due diligence in relation to the site has repeatedly failed in the prevention, mitigation, or remediation of human rights impacts, and no evidence that the company has unknowingly or unintentionally caused serious human rights abuses.</p>
<p>1.3.5.3. Public reporting referred to in 1.3.5.1 and 1.3.5.2 may exclude information that is politically sensitive, confidential business information, or that may compromise safety or place any individual at risk of further victimization.</p>	—	<p>The site has not issued site-level external reports relating to internal or third-party (external) HR due diligence. The site has not presented any documentation about what sensitive data is being hidden in public reports.</p>



## Chapter 1.4—Complaints and Grievance Mechanism and Access to Remedy

## Basis for Rating

<p>1.4.1.1. <b>Critical</b> The operating company shall ensure that stakeholders, including affected community members and rights holders (hereafter referred to collectively as "stakeholders") have access to an operational-level mechanism that allows them to raise and seek resolution or remedy for the range of complaints and</p>	L	<p>A grievance mechanism is available through a third-party provider at a website. The mechanism guarantees confidentiality. There is evidence of communication from a community raising a grievance and a request to include that topic on the agenda for a working table (mesa de trabajo).</p>
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## Chapter 1.4—Complaints and Grievance Mechanism and Access to Remedy

### Basis for Rating

	grievances that may occur in relation to the company and its mining-related activities.		
1.4.2.1.	<p>The operating company shall consult with stakeholders on the design of culturally appropriate complaints and grievance procedures that address, at minimum:</p> <ul style="list-style-type: none"> <li>a. The effectiveness criteria outlined in Principle 31 of the United Nations Guiding Principles on Business and Human Rights, which include the need for the mechanism to be: (a) Legitimate, (b) Accessible, (c) Predictable, (d) Equitable, (e) Transparent, (f) Rights-compatible, (g) A source of continuous learning, and (h) Based on engagement and dialogue;</li> <li>b. How complaints and grievances will be filed, acknowledged, investigated, and resolved, including general timeframes for each phase;</li> <li>c. How confidentiality of a complainant's identity will be respected, if requested;</li> <li>d. The ability to file anonymous complaints, if deemed necessary by stakeholders;</li> <li>e. The provision of assistance for those who may face barriers to using the operational-level grievance mechanism, including women, children, and marginalized or vulnerable groups;</li> <li>f. Options for recourse if an initial process does not result in satisfactory resolution or if the mechanism is inadequate or inappropriate for handling serious human rights grievances; and</li> <li>g. How complaints and grievances and their resolutions will be tracked and recorded.</li> </ul>		<p>Complaint mechanisms were defined based on stakeholder consultation and are culturally appropriate. Additionally, the grievance mechanism for communities and workers is established considering all sub-requisites except "e." There is provision of assistance to those who may face barriers to using the operational-level grievance mechanism, including women, children, and marginalized or vulnerable groups. As there is no evidence about the grievance mechanisms established with local communities, the external stakeholders mapped are the most vulnerable.</p>
1.4.2.2.	The operating company shall ensure that all complaints and grievance procedures are documented and made publicly available.		<p>SQM Salar de Atacama has evidence that all grievance procedures and mechanisms are publicly available, not only on the SQM website, but also through emails to employees and suppliers. However, there is no evidence about this publicity to external stakeholders. Furthermore, during interviews with external stakeholders, they did not mention anonymous grievance mechanisms, only the contacts of the SQM team.</p>
1.4.3.1.	No remedy provided by an operational-level grievance mechanism shall require aggrieved parties to waive their right to seek recourse from the company for the same complaint through other available mechanisms, including administrative, non-judicial or judicial remedies.	<b>L</b>	<p>Considering the documents reviewed, and especially the interviews carried out with workers, contractors, and other stakeholders, there are no restrictions on the right to appeal the same complaint through other available mechanisms, including administrative, extrajudicial, or judicial appeals.</p>

## Chapter 1.4—Complaints and Grievance Mechanism and Access to Remedy

### Basis for Rating

1.4.4.1.	Complaints and grievances and their outcomes and remedies shall be documented.	L	The SQM team presented the "Ethics point" during a meeting, the platform on which SQM Salar de Atacama has registered all grievance tracking.
1.4.4.2.	The operating company shall monitor and evaluate the performance of the operational-level complaints and grievance mechanism over time to determine: <ul style="list-style-type: none"> <li>a. If changes need to be made to improve its effectiveness as per 1.4.2.1.a;</li> <li>b. If changes in company activities can be implemented to prevent or mitigate similar grievances in the future; and</li> <li>c. If outcomes and remedies provided through the mechanism accord with internationally recognized human rights.</li> </ul>	L	The registration of reports and complaints through the Ethics point platform allows for the assessment of needs for improvement. Some improvements were identified, mainly in relation to the participation of women in the mine contracting process. Although this improvement has been identified, there is still a low number of complaints, with limited possibilities to identify necessary improvements.
1.4.4.3.	Stakeholders shall be provided with clearly communicated opportunities to submit feedback on the performance of the complaints and grievance mechanism.	⊕	The opportunity for internal stakeholders to provide feedback on the performance of the grievance and grievance mechanism has not been verified. Regarding external stakeholders, it was mentioned in interviews that the grievance mechanisms were created in accordance with their requests, and they can change them.
1.4.5.1.	The operating company shall take reasonable steps to inform all stakeholders of the existence of the operational-level complaints and grievance mechanism, its scope, and its procedures.	⊕	Although the grievance mechanisms are disclosed, mainly internally, according to the interviews carried out, employees and contractors are not aware of all the steps that involve the complaints made. More intensely, external stakeholders are not aware of SQM's anonymous reporting mechanisms.
1.4.5.2.	The operating company shall neither state nor imply that participation in an operational level grievance mechanism precludes the stakeholder from seeking redress through administrative, judicial or other non-judicial remedies.	L	Considering the documents reviewed and especially the interviews carried out with workers, contractors, and other stakeholders, there are no restrictions to redress through administrative, judicial or other non-judicial remedies.
1.4.5.3.	The operating company shall inform relevant personnel who interact with stakeholders of the proper procedures for handling stakeholder complaints and grievances, and ensure that personnel directly involved in the operational-level mechanism receive instruction on the respectful handling of all complaints and grievances, including those that may appear frivolous.	L	The complaint management training evidence presentation focused on the flow and the Salesforce system. In interviews carried out with workers and managers, mainly from the human resources and community relations sector, it was verified that all those responsible for receiving complaints are trained to do so in a respectful manner. It was also verified that all complaints were forwarded and monitored, regardless of their severity.
1.4.6.1.	Periodically, the operating company shall report to stakeholders on grievances received and responses provided. This shall be done in a manner that protects the confidentiality and safety of those filing grievances.	⊕	Evidence of communication between mine and complainants (letter to Toconao) shows that responses are provided. In addition, there is communication by email with employees sharing grievance monitoring results; however,


## Chapter 1.4—Complaints and Grievance Mechanism and Access to Remedy

### Basis for Rating

there is no evidence of these responses and feedback to external stakeholders.

## Chapter 1.5—Revenue and Payments Transparency

### Basis for Rating

<p>1.5.1.1. The operating company shall comply with 1.5.1.2 and 1.5.1.3, and/or demonstrate how it complies with equivalent reporting and disclosure requirements of the European Union Accounting Directive (2013/34/EU) and the European Union Transparency Directive (2013/50/EU), or an equivalent mandatory transparency regime.</p>	L	<p>SQM reports company results and accounting information under International Financial Reporting Standards (IFRS), which includes the same requirements as the European Union (EU) directives. This reporting standard was adopted more than 10 years ago. An annual report is audited by an external entity to verify compliance with IFRS. This information is available on the SQM website.</p>
<p>1.5.1.2. On a yearly basis, the operating company shall publish a report that discloses all material payments made by itself and its corporate owner to the government of the country in which the mining project is located. The report shall be made public within 12 months after the end of each financial year.</p>	L	<p>SQM publishes annual reports disclosing material payments within 12 months of the end of its financial year. Detailed information can be found at the Chilean Commission for the financial market website.</p>
<p>1.5.1.3. The types of payment disclosed shall include as a minimum, as applicable:</p> <ul style="list-style-type: none"> <li>a. The host government's production entitlement;</li> <li>b. National state-owned enterprise production entitlement;</li> <li>c. Profits taxes;</li> <li>d. Royalties;</li> <li>e. Dividends;</li> <li>f. Bonuses, such as signature, discovery and production bonuses;</li> <li>g. License fees, rental fees, entry fees and other considerations for licenses and/or concessions;</li> <li>h. Payments for infrastructure improvements; and</li> <li>i. Any other significant payments and material benefits to government, including in kind payments.</li> </ul>	L	<p>The operating company's reporting includes all sub-requirements a through i, as applicable. Detailed information is available in the annual financial report and in the Chilean Commission for the financial market website.</p>
<p>1.5.1.4. At minimum, this information shall be broken down by recipient government body (where applicable), by project (where applicable), and by payment type.</p>	L	<p>The information is reported by SQM S.A. at the consolidated level, including all the SQM operations in Chile. Specific information for SQM Salar de Atacama is included in the financial statements of SQM Salar de Atacama S.A., which are attached as backup and are publicly available.</p>
<p>1.5.2.1. The operating company shall demonstrate its compliance with the reporting requirements specified in Chapter 10 of the European Union Directive 2013/34/EU or an equivalent mandatory transparency regime, and/or shall</p>		<p>SQM reports company results and accounting information under IFRS, which includes the same requirements as the EU directives. The annual report is audited by an external entity to verify compliance with IFRS. Although this report is not at the project level, other specific</p>




## Chapter 1.5—Revenue and Payments Transparency

## Basis for Rating

	comply with the requirements listed under 1.5.2.2 below.		documents include the breakdown of specific payments made by the Salar de Atacama project, such as payments under contract with Corfo. Details are reported within the consolidated financial statements of SQM S.A, together with the taxes paid.
1.5.2.2.	<p>The operating company shall ensure that the following information at the mining project level is reported on an annual basis and is readily accessible to the public:</p> <ul style="list-style-type: none"> <li>a. Mine production, disaggregated by product type and volume;</li> <li>b. Revenues from sales, disaggregated by product type;</li> <li>c. Material payments and other material benefits to government as listed in paragraph 1.5.1.3, disaggregated according to the receiving government entity (e.g., national, regional, local entity; name of government department);</li> <li>d. Social expenditures, including the names and functions of beneficiaries;</li> <li>e. Taxes, tariffs or other relevant payments related to transportation of minerals;</li> <li>f. Payments to politicians' campaigns, political parties or related organizations; and</li> <li>g. Fines or other similar penalties that have been issued in relation to the project.</li> </ul>		SQM Salar de Atacama SA reports annually and makes public production, revenues, and payment requirements as applicable. However, some items are reported on a consolidated basis together with the other SQM operations..
1.5.2.3.	The operating company shall publish annual accounts, following international accounting standards.	L	SQM reports company results and accounting information under IFRS. The annual report is audited by an external entity to verify compliance with IFRS.
1.5.3.1.	If the mining project is located in a country without a mandated transparency regime, the operating company shall demonstrate support for the EITI by publishing a clear public statement endorsing the EITI Principles on its external website.	⊗	SQM, the operating company, has not published a statement endorsing the EITI principles.
1.5.3.2.	<p>If the mining project is located in a country without a mandated transparency regime and the EITI is active in that country, the operating company shall:</p> <ul style="list-style-type: none"> <li>a. Commit to engage constructively with and support implementation of the EITI consistent with the multi-stakeholder process adopted in its country of operation; and</li> <li>b. Provide links on its external website to completed and up-to-date Company Forms for its operation, if the EITI implementing country has completed at least one validation.</li> </ul>	—	EITI is not active in Chile.
1.5.4.1.	The material terms for mineral exploration, development and production agreed between the operating company and government entities shall be freely and publicly accessible, with the exception of confidential business	L	The fundamental terms of the contract with CORFO (Corporacion de Fomento de la Produccion *) are published in Spanish and English in the annual report, the 20F, the January 2018 communications on the agreement with CORFO.

## Chapter 1.5—Revenue and Payments Transparency

## Basis for Rating

		<p>information, in the national language(s) of the country in which the mining project is located.</p> <ul style="list-style-type: none"> <li>a. Where these terms are negotiated, rather than governed by law, the company shall make the relevant agreements, licenses or contracts freely and publicly accessible.</li> <li>b. Where these terms are governed by law, free, public access to the relevant statutory documentation is deemed sufficient to meet the IRMA requirement.</li> </ul>
<p>1.5.4.2. The beneficial ownership of the operating company shall be publicly accessible.</p>		<p>SQM publishes the information on the majority shareholders, including the 12 largest in the annual report, and it is also public on the page of the Commission for the Financial Market. However, there is no confirmation of the SQM Salar de Atacama S.A. final beneficiaries of shareholders and their participation.</p>
<p>1.5.5.1. <b>Critical</b> The operating company shall develop, document and implement policies and procedures that prohibit bribery and other forms of corruption by employees and contractors.</p>		<p>SQM has developed and implemented an Ethics and Compliance Program based on the SQM Code of Ethics and the Anti-Bribery and Anti-Corruption (ABAC) Policy, and other specific procedures have also been implemented. All these documents apply to the operation and extend to contractors and suppliers. Several initiatives, including the reinforcement of the compliance area and new compliance verification mechanisms, have been recently implemented. These new processes will be monitored for effectiveness.</p>
<p>1.5.5.2. Procedures shall include:</p> <ul style="list-style-type: none"> <li>a. A requirement to internally report and record any undue pecuniary or other advantage given to, or received from, public officials or the employees of business partners, directly or through third parties; and</li> <li>b. Disciplinary actions to be taken if cases of bribery or corruption are discovered.</li> </ul>		<p>The operating company has developed procedures that cover sub-requirements a. and b. Disciplinary actions are detailed in the Global Procedure for Internal Investigations and Sanctions. However, the evaluation of effectiveness of these procedures is still pending due to the new tracking processes.</p>
<p>1.5.5.3. Relevant employees and contractors shall be trained in the application of the operating company's policy and procedures.</p>	<p>L</p>	<p>According to the procedures, personnel at all levels of the organization need to be trained in the SQM Code of Ethics and Anti-Bribery policy, including directors, managers, supervisors, operators, and administrative personnel. Contractors are also included in the training program, which is mandatory. These policies are included in the Contractors and Sub-Contractors Requirements.</p> <p>During interviews with contractors and SQM operators and staff, evidence of awareness regarding the company's anti-corruption policies, procedures, and expectations was observed. The training program and records are available for review.</p>




## Principle 2: Planning for Positive Legacies

RATING LEGEND  
Description of performance

	Fully meets
	Substantially meets
	Partially meets
	Does not meet
	Not relevant

### Note on Chapter 2.1:

In October 2020, the IRMA Board approved changes in the way Chapter 2.1 was to be audited for existing mines. <sup>1</sup> The table below now shows where expectations are different for new versus existing mines. Existing mines are only required to meet a core set of requirements related to assessment of environmental and social risks (called CORE requirements), although existing mines have the option to be audited against the new mine requirements. If they have opted to do so, that will be reflected in the Basis for Rating column. Existing mines are still required to have in place an environmental and social management system.

Chapter 2.1—Environmental and Social Impact Assessment and Management		Basis for Rating
2.1.1.1	An Environmental and Social Impact Assessment (ESIA), appropriate to the nature and scale of the proposed mining project and commensurate with the level of its environmental and social risks and impacts, shall be completed prior to the commencement of any site-disturbing operations associated with the project.	 The most recent version of the ESIA, protocolled at the first quarter of 2022, presents adequate methodology for the diagnosis and impact assessment. However, it needs to improve the methods adopted to evaluate and monitor the impacts regarding water resources and air quality, mainly in the surrounding communities from the mine, Toconao and Peine.
2.1.1.2.	To enable a reasonable estimation of potential impacts related to the mining project, the ESIA process shall commence only after the project design has been sufficiently developed. Should the proposal be significantly revised a new assessment process shall be undertaken.	 The ESIA presented in 2022 is in line with the current dimensions and activities presented in the Salar de Atacama mine.
2.1.1.3.	The ESIA shall be carried out in accordance with publicly available, documented procedures.	 All environmental studies carried out, including the ESIA, are available on the website of the Ministry of the Environment of Chile. Environmental data is also available on a specific website maintained by SQM Salar ( <a href="https://www.sqmsenlinea.com/">https://www.sqmsenlinea.com/</a> ). Additionally, the procedures for conducting the ESIA are presented in Chilean legislation, which are publicly available in the ESIA and on the Ministry of the Environment website.

<sup>1</sup> For more information, see the IRMA Guidance Note on Chapter 2.1: <https://responsiblemining.net/wp-content/uploads/2021/07/Chapter-2.1-ESIA-Guidance-Final-2020.pdf>

## Chapter 2.1—Environmental and Social Impact Assessment and Management

## Basis for Rating

2.1.2.1.	<p>Prior to the implementation of the ESIA process the operating company shall ensure that there has been wide, public announcement of the project proposal and the associated ESIA process, and that reasonable and culturally appropriate efforts have been made to inform potentially affected and interested stakeholders in potentially affected communities about the proposed project.</p>		<p>There is evidence that reasonable efforts were made after 2007 to inform potentially affected and interested stakeholders, including indigenous communities. However, environmental studies, mainly related to impacts associated with water and air quality, have not been shared in a culturally appropriate way, as independently indicated in all interviews carried out with representatives and residents of indigenous communities.</p> <p>The SQM Salar ESIA was carried out after the start of mine operations, as there was no legal requirement for these studies. There is no evidence that there was disclosure to the affected communities that the studies would start, but there was disclosure on the website of the Ministry of the Environment in line with Chilean legislation.</p>
2.1.2.2.	<p>Prior to the implementation of the ESIA process the operating company shall prepare a report and publish it on the operating company's external website, in the official national language(s) of the country in which the mining project is proposed to take place. The report shall provide:</p> <ol style="list-style-type: none"> <li>A general description of the proposed project, including details on the proposed location, and nature and duration of the project and related activities;</li> <li>The preliminary identification of potential significant environmental and social impacts, and proposed actions to mitigate any negative impacts;</li> <li>A description of the main steps of the ESIA process that will be carried out, the estimated timeline and the range of opportunities for stakeholder participation in the process; and</li> <li>Contact details for the person or team responsible for management of the ESIA.</li> </ol>		<p>The environmental studies are available through the official website of the Ministry of the Environment of Chile. Public consultations also follow the country's legislation after the study protocol is completed. There is no evidence of consultations carried out by SQM on the assessment of impacts to external stakeholders before the ESIA was carried out. The website used to disseminate data from the environmental monitoring of the mine is only consultative and not participatory. Participatory actions are being initiated, but not yet incorporated into the ESIA. SQM did not publish a report on their website prior to the ESIA. The company did not inform about the ESIA process before ESIA was initiated.</p>
2.1.3.1.	<p><b>Critical (New Mines)</b> The operating company shall carry out a scoping process to identify all potentially significant social and environmental impacts of the mining project to be assessed in the ESIA.</p> <p><b>Critical (Existing Mines)</b> The operating company shall demonstrate that it has undertaken a comprehensive evaluation of potential environmental and social impacts associated with the mining operation.</p>		<p>SQM provided the Salar de Atacama ESIA, carried out in 2007, which evaluated the significant social and environmental impacts associated with the mining operations.</p>
2.1.3.2.	<p>During scoping, the operating company shall identify stakeholders and rights holders (hereafter, collectively referred to as "stakeholders") who may be interested in and/or affected by the proposed project.</p>		<p>Considering the documents reviewed and the interviews carried out, SQM is aware of all stakeholders interested in the results of the mine impact assessment and environmental monitoring. According to the documents analyzed and the interviews, it was possible to</p>




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			verify that SQM identified all project stakeholders during scope definition.
2.1.3.3.	Scoping shall include the consideration of: <ul style="list-style-type: none"> <li>a. Social impacts (including potential impacts on communities and workers) and environmental impacts (including potential impacts on wildlife, air, water, vegetation and soils) during all stages of the project lifecycle, from pre-construction through post-closure;</li> <li>b. Direct, indirect and cumulative impacts; and</li> <li>c. Potential impacts of extreme events.</li> </ul>	●	According to the 2004 and 2022 Salar de Atacama ESIA, it is possible to verify that the impact assessment included social and environmental impacts. These impacts covered the stages of construction, operation, and closure of the mine, and were also classified according to their character, probability of occurrence, typology, reversibility, magnitude, and duration. However, there is no evidence regarding the evaluation of extreme events.
2.1.3.4	Scoping shall result in the identification of: <ul style="list-style-type: none"> <li>a. Potentially significant environmental and social impacts of the proposed project;</li> <li>b. Alternative project designs to avoid significant adverse impacts;</li> <li>c. Other actions to mitigate identified adverse impacts; and</li> <li>d. Additional information and data needed to understand and assess the potential impacts.</li> </ul>	●	The most recent version of the ESIA, filed in the first quarter of 2022, presents information related to sub-requisites a, b, and c. However, during the interviews with the indigenous communities, it was verified that there is a need to review the methods adopted to assess and monitor the impacts related to water resources and air quality. These needs were not identified in the scope of SQM Salar's ESIA, so sub-requirement d. was not met.
2.1.4.1.	Baseline data describing the prevailing environmental, social, economic and political environment shall be collected at an appropriate level of detail to allow the assessment of the potential impacts of the proposed mining project.	L	The most recent version of the ESIA, protocolled at the first quarter of 2022, presents an appropriate baseline regarding all relevant environmental and social factors.
2.1.4.2.	Additional studies shall be carried out as necessary to fulfill the information needs of the ESIA.	L	The most recent version of the ESIA, filed in the first quarter of 2022, and the studies presented by the SQM Salar environment team, provided additional information that meets the needs that were identified. The main additional information refers to social aspects of local communities and the improvement of methods adopted for monitoring air and water quality in communities in the area of influence.
2.1.5.1	The operating company shall: <ul style="list-style-type: none"> <li>a. Predict in greater detail the characteristics of the potentially significant environmental and social impacts identified during scoping;</li> <li>b. Determine the significance of the predicted impacts;</li> <li>c. Evaluate options to mitigate predicted significant adverse impacts in line with the mitigation hierarchy, prioritizing the avoidance of impacts through consideration of alternative project designs; and</li> <li>d. Determine the relative importance of residual impacts (i.e., impacts that cannot be mitigated) and whether significant residual adverse impacts can be addressed to the satisfaction of affected or relevant stakeholders.</li> </ul>	L	The most recent version of the ESIA, protocolled at the first quarter of 2022, presents all the information needed to achieve the sub-requirements.

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2.1.6.1.	<p>The operating company shall prepare an ESIA report that includes, at minimum:</p> <ul style="list-style-type: none"> <li>a. A description of the proposed mining project;</li> <li>b. Detailed description of the direct, indirect and cumulative impacts likely to result from the project, and identification of significant adverse impacts;</li> <li>c. Description of the alternatives considered to avoid and mitigate significant adverse impacts in line with the mitigation hierarchy, and the recommended measures to avoid or mitigate those impacts;</li> <li>d. A review of the public consultation process, the views and concerns expressed by stakeholders and how the concerns were taken into account; and</li> <li>e. Names and affiliations of ESIA authors and others involved in technical studies.</li> </ul>		<p>The most recent version of the ESIA, protocolled at the first quarter of 2022, presents all the information needed to achieve the sub-requirements, except sub-requirement d, since the consultation stage is currently underway, following the determinations of Chilean legislation.</p>
2.1.7.1.	<p>The operating company shall develop and maintain a system to manage environmental and social risks and impacts throughout the life of the mine.</p>		<p>Considering the ESIA completed in 2022 and the platform with environmental monitoring data from the mine, the impacts referring to the physical and biotic environments are being monitored. However, the monitoring of social impacts on neighboring communities due to the mine operation was not identified.</p>
2.1.7.2	<p>An environmental and social management plan (or its equivalent) shall be developed that, at minimum:</p> <ul style="list-style-type: none"> <li>a. Outlines the specific mitigation actions that will be carried out to address significant environmental and social impacts identified during and subsequent to the ESIA process;</li> <li>b. Assigns personnel responsible for implementation of various elements of the plan; and</li> <li>c. Includes estimates for the resources needed to implement the plan.</li> </ul>		<p>The documents provided by SQM, and the interviews carried out in June and December 2022 showed evidence that SQM Salar has all the necessary resources to implement a socio-environmental management plan, meeting sub-requirement c. Regarding sub-requisite a, the social and environmental management plan presents the programs and measures necessary to mitigate and monitor the impacts of the mine. The presented programs are detailed and present the methods, such as the sampling mesh and primary data collection periodicity. There is no evidence related to the personnel responsible for implementing various items of the plan, despite those responsible were mentioned during the interviews with the SQM team.</p>
2.1.7.3.	<p>The environmental and social management plan shall be implemented and revised or updated as necessary based on monitoring results or other information.</p>	<p>L</p>	<p>According to the ESIA finalized in 2022 and the platform that makes the environmental monitoring data available, the environmental and social management plan is being implemented and revised in accordance with the guidelines of the environmental agencies. In accordance with Chilean environmental legislation, SQM must also revise its environmental plan, considering the comments and declarations already forwarded to the Ministry of the Environment. In addition, SQM is revising the water and air monitoring plan to consider the demands of the surrounding communities.</p>

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<p>2.1.8.1. As part of the ESMS, the operating company shall establish a program to monitor:</p> <ul style="list-style-type: none"> <li>a. The significant environmental and social impacts identified during or after the ESIA process; and</li> <li>b. The effectiveness of mitigation measures implemented to address environmental and social impacts.</li> </ul>	L	<p>SQM presented the impact and risks management plan, considering the risks and impacts mapped, in 2022, and presented them in the ESIA. Considering this document and the SQM website "SQM en línea," sub-requirements a and b are being achieved at this moment.</p>
<p>2.1.8.2. The monitoring program shall be designed and carried out by competent professionals.</p>	L	<p>Considering the ESIA completed in 2022, the monitoring program was designed by competent professionals. During the fieldwork and interviews, the competence of environmental and social professionals was verified.</p>
<p>2.1.8.3. If requested by relevant stakeholders, the operating company shall facilitate the independent monitoring of key impact indicators where this would not interfere with the safe operation of the project.</p>	L	<p>SQM provided evidence that the communities located in the influence area have been informed about the Salar de Atacama project and its risks and impacts monitoring. In addition, considering the interviews with indigenous community representatives and the SQM social environmental team, they are including participatory and independent environmental management. The agreement signed by SQM and indigenous communities also mentions this shared and independent environmental management plan.</p>
<p>2.1.9.1. <b>(New Mines)</b> As part of the ESIA process, the operating company shall provide for timely and effective stakeholder and rights holder (hereafter collectively referred to as stakeholder) consultation, review and comment on:</p> <ul style="list-style-type: none"> <li>a. The issues and impacts to be considered in the proposed scope of the ESIA (see 2.1.3);</li> <li>b. Methodologies for the collection of environmental and social baseline data (see 2.1.4);</li> <li>c. The findings of environmental and social studies relevant to the conclusions and recommendations of the ESIA (see 2.1.5.1.a, and b);</li> <li>d. Options and proposals to mitigate the potential impacts of the project (see 2.1.5.1.c);</li> <li>e. Provisional conclusions and recommendations of the ESIA, prior to finalization (see 2.1.6.1); and</li> <li>f. The final conclusions and recommendations of the ESIA (see 2.1.6.1).</li> </ul> <p><b>(Existing Mines)</b> The operating company shall consult with relevant stakeholders in the identification and evaluation of potential environmental and social impacts associated with the mine</p>	●	<p>Chilean legislation provides for a period of evaluation and participation in the ESIA after it is handed over to the Ministry of the Environment. This period took place in the first half of 2022 and the company must include these manifestations in its impact assessment and impact monitoring and control plan. According to the interviews carried out, the manifestations are being evaluated and included in the ESIA or answered by the Chilean environmental agency. It is important to verify the status of these manifestations in the next evaluation of this application.</p>
<p>2.1.9.2. <b>(New Mines)</b> The operating company shall encourage and facilitate stakeholder participation, where possible, in the collection of data for the ESIA, and in the development of</p>	●	<p>Chilean legislation provides a period of evaluation and social participation in the ESIA process after its delivery to the Ministry of the Environment. This consultation period with</p>

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<p>options to mitigate the potential impacts of the project during and subsequent to the ESIA process.</p> <p><b>(Existing Mines)</b> The operating company shall encourage and facilitate stakeholder participation, where possible, in the development of options to mitigate the potential impacts of the mine.</p>	<p>different social representatives took place in the first half of 2022. The company must include these manifestations in its impact assessment and impact monitoring and control plan. According to interviews with SQM's environmental team and representatives of indigenous communities, stakeholder participation in the development of options to mitigate the project's potential impacts was restricted to this legal requirement, until agreements were reached with indigenous communities that include participatory monitoring of air and water quality in affected communities. Thus, according to the agreements signed and the minutes of meetings and interviews with community representatives, there is evidence that SQM Salar encourages the participation of interested parties in diagnostics and plans for monitoring and mitigating impacts.</p>
<p>2.1.9.3. The operating company shall provide for timely and effective stakeholder consultation, review and comment on the scope and design of the environmental and social monitoring program.</p>	<p>L</p> <p>Chilean legislation provides for a period of evaluation and participation in the ESIA after it is handed over to the Ministry of the Environment. This period took place in the first half of 2022 and the company must include these manifestations in its impact assessment and impact monitoring and control plan. According to the interviews carried out, the manifestations are being evaluated and included in the ESIA or answered by the Chilean environmental agency. It is important to verify the status of these manifestations in the next evaluation of this application.</p>
<p>2.1.9.4. The operating company shall encourage and facilitate stakeholder participation, where possible, in the implementation of the environmental and social monitoring program.</p>	<p>⊕</p> <p>SQM has started engaging and communicating with indigenous communities about environmental and social impacts recently, although it has been operating in the region for more than two decades. According to indigenous leaders, in recent years SQM has responded to demands to include communities in the independent water and air monitoring. The leaders also stated that they were very satisfied with the community relationship team, as they respected cultural and anthropological aspects during the negotiation with SQM. However, it was not verified that this was an independent initiative of SQM or even that it was encouraged. According to interviews carried out with indigenous communities and the SQM team, these measures are due to legal and historical demands on the part of the communities. In addition, it was not possible to identify the assessment of social impacts not associated with physical and biotic factors, or that were not required by the environmental agency. Thus, although indigenous communities mentioned impacts on their way of life arising</p>

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		from the mine operation, these were not identified or assessed in the ESIA.
2.1.9.5.	The operating company shall record all stakeholder comments received in relation to ESIA scoping; implementation; ESIA findings, conclusions and recommendations; and the environmental and social monitoring program. The company shall record how it responded to stakeholder comments.	L The Chilean legislation guarantees that all stakeholder comments received in relation to ESIA scoping should be officially registered and responded to. In this way, SQM receives and responds to demands and feedback regarding the scope, implementation, results, conclusions, and recommendations of the ESIA, in addition to programs for monitoring and mitigating social and environmental impacts. All comments sent and responses made are part of the documents registered in the mine's environmental process with the Ministry of the Environment, which is published on the website of the environmental agency. This requirement has been achieved by SQM Salar.
2.1.10.1.	<b>(New Mines)</b> The ESIA report and any supporting data and analyses shall be made publicly available. Detailed assessments of some issues and impacts may be reported as stand-alone documents, but the ESIA report shall review and present the results of the full analysis in an integrated manner. <b>(Existing Mines)</b> At minimum, a summary of the significant environmental and social impacts and risks associated with the mining operation shall be made public	L Due to a requirement of Chilean legislation, the entire ESIA is available on the Ministry of the Environment's website. Additionally, SQM has a website to make available the results of environmental monitoring.
2.1.10.2.	The operating company shall make publicly available an anonymized version of the ESIA record of stakeholder comments and its own responses, including how each comment was taken into account.	● Due to a requirement of Chilean legislation, the entire ESIA is available on the Ministry of the Environment website. On the same website, all official communications about the scope of the ESIA are recorded and can be accessed. However, there is no record of an anonymous version of requests and comments submitted by ESIA process stakeholders.
2.1.10.3.	The environmental and social management plan shall be made available to stakeholders upon request.	L Due to a requirement of Chilean legislation, the entire ESIA and the ESMP are made available on the Ministry of the Environment's website. At the same website, all official communication regarding the ESIA and ESMP scoping is registered and can be accessed. Additionally, SQM Salar shares its ESMP with the stakeholders through the company website and public meetings.
2.1.10.4.	Summary reports of the findings of the environmental and social monitoring program shall be made publicly available at least annually, and all data and methodologies related to the monitoring program shall be publicly available.	L Due to a requirement of Chilean legislation, the entire ESIA is available on the Ministry of the Environment website, including the methods, data, and results of the environmental and social monitoring plan. On the same website, all official communications about the scope of the ESIA are recorded and can be accessed. Additionally, SQM provides a website for disclosing the results of the environmental management plan, in addition to all documents related to these

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		monitoring programs, which include the methods adopted ( <a href="https://www.sqmsenlinea.com/">https://www.sqmsenlinea.com/</a> ).
2.1.10.5.	<p><b>(New Mines)</b> The existence of publicly available ESIA and ESMS information, and the means of accessing it, shall be publicized by appropriate means.</p> <p><b>(Existing Mines)</b> The existence of publicly available ESMS information, and the means of accessing it, shall be publicized by appropriate means.</p>	<p>L</p> <p>SQM provides a website for disclosing the data, and results of the environmental management plan, in addition to all documents related to these monitoring programs, which include the methods adopted (<a href="https://www.sqmsenlinea.com/">https://www.sqmsenlinea.com/</a>). This open access platform is shared with stakeholders and permits downloading of all data.</p>

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2.2.1.1.	The operating company shall have a publicly available policy that includes a statement of the company's respect for indigenous peoples' rights, as set out in the United Nations Declaration on the Rights of Indigenous Peoples.	<p>L</p> <p>SQM Policy states respect for indigenous peoples' rights as set in the ILO 169 Convention, United Nations Declaration of Indigenous Peoples and the Sustainable Development Goals.</p>
2.2.1.2.	The operating company shall ensure that indigenous peoples potentially affected by the company's mining-related activities are aware of the policy.	<p>●</p> <p>The policy is publicly available online. In addition, SQM has signed an agreement with four of the five indigenous communities neighboring the site. In these agreements, which were built in a participatory manner with the communities, mention is made of the company's policy regarding respect for human and indigenous rights, including the United Nations Declaration on the Rights of Indigenous Peoples. However, not all indigenous communities have signed agreements with SQM, and those communities do not have access to the policy.</p>
2.2.2.1.	The operating company shall conduct due diligence to determine if the host government conducted an adequate consultation process aimed at obtaining indigenous peoples' informed consent prior to granting access to mineral resources. The key findings of due diligence assessments shall be made publicly available and shall include the company's justification for proceeding with a project if the State failed to fulfill its consultation and/or consent duties.	<p>⊗</p> <p>Chile was not a signatory to ILO169 when the original EIA was completed. In 2009, there was a state-led indigenous consultation process as part of 'citizen participation,' but there was no option under Chilean law for a direct project community consultation process. No evidence was provided supporting that SQM conducted due diligence to determine if the Chilean government obtained informed consent from indigenous peoples' prior to granting access to mineral resources. SQM has committed to engaging with relevant indigenous communities to create an ILO169 compatible process going forward to consult the indigenous communities about its operations. The outcome of these engagements will be reviewed during future assessments.</p>
2.2.2.2.	<b>Critical</b> New mines shall not be certified by IRMA unless they have obtained the free, prior and informed consent (FPIC) of potentially affected indigenous peoples. The circumstances for obtaining FPIC include situations where mining-	<p>●</p> <p>The SQM Policy declares respect for the rights of indigenous peoples as set out in ILO Convention 169, the United Nations Indigenous Peoples Declaration, and the Sustainable Development Goals. In addition, indigenous community</p>



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related activities may affect indigenous peoples' rights or interests, including those that may: impact on lands, territories and resources; require the physical relocation of people; cause disruption to traditional livelihoods; impact on critical cultural heritage; or involve the use of cultural heritage for commercial purposes.

## Basis for Rating

representatives endorsed the approach taken by the social SQM team. This approach includes the following aspects:

- i. Adoption of a consultation process with indigenous peoples that includes meetings with representatives chosen by the indigenous people, as per the decision adopted in an assembly with all the indigenous people of each community. The periodicity, registration, and agreements made are defined by the indigenous peoples. The agreements made include consultation on the mining operation.
- ii. Consultation and recording of concerns related to past and present impacts associated with the mine. Agreements signed with indigenous peoples include shared and participatory monitoring of impacts questioned by indigenous peoples.
- iii. Implementation of monitoring programs and mitigation of impacts of mine operation in accordance with methods and scope requested by indigenous peoples.

This information was verified in the agreements and minutes signed by the SQM and four of the five indigenous communities, as well as in interviews carried out with representatives of the indigenous communities. Representatives of the Peine Community were not available for interview during the assessment. All communities, including Peine, are part of the Atacameño Council where they discuss general issues that affect everyone and specific matters for each member community. Atacameño Council representatives and residents of the Peine community were interviewed. The leaders of other communities, the representatives of the Atacameño Council and the interviewed residents of Peine, confirmed that the community was in the process of choosing the new leadership and, for this reason, they would not be available for the meetings of consultations and agreements.

They confirmed that the Peine community were invited to the consultation process like all the other communities and that there was no refusal of dialogue, only a request to postpone it until after the new leadership has been chosen. It was also communicated that the Peine Community are aligned with the Council's other communities, and they are interested in signing the agreement (covenant) with SQM, but this has been delayed while they choose new leadership. The assessment team asked the members of the Council for a copy of the other community's agreement but was informed that it was a

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		confidential document that could not be made available.
2.2.2.3.	For new and existing mines, the operating company shall obtain FPIC from indigenous peoples for proposed changes to mining-related activities that may result in new or increased impacts on indigenous peoples' rights or interests.	— Considering that there have not been proposed changes to mining-related activities that may result in new or increased impacts on indigenous peoples' rights or interests, this requirement is considered Not Relevant.
2.2.2.4	If indigenous peoples' representatives clearly communicate, at any point during engagement with the operating company, that they do not wish to proceed with FPIC-related discussions, the company shall recognize that it does not have consent, and shall cease to pursue any proposed activities affecting the rights or interests of the indigenous peoples. The company may approach indigenous peoples to renew discussions only if agreed to by the indigenous peoples' representatives.	● SQM has started a consultation and communication with the indigenous communities, and according to the representatives of the indigenous communities interviewed, the company has responded to all restrictions and refusals to hold meetings and consultations on the part of the surrounding communities. Additionally, SQM has been successful in changing the position of some communities through communication based on FPIC principles.
2.2.3.1.	The operating company shall: <ul style="list-style-type: none"> <li>a. Consult with indigenous peoples and others, and review other relevant data to identify indigenous peoples that own, occupy or otherwise use land, territories or resources that may be affected by the mining project;</li> <li>b. Disclose to indigenous peoples, in a culturally appropriate manner, the preliminary project concepts and/or proposed activities, and the indigenous peoples' right to FPIC.</li> </ul>	● The baseline studies have identified indigenous peoples present in the area of influence that could potentially be affected by the project. Consultation and disclosure to indigenous peoples as part of the ESIA has been conducted according to federal laws. SQM also has improved the indigenous participation on the environmental management plan; however, this is a recent approach, and it is not established with all communities.
2.2.3.2.	The operating company shall collaborate with indigenous peoples' representatives and other relevant members of affected communities of indigenous peoples to: <ul style="list-style-type: none"> <li>a. Identify the appropriate means of engagement for each group of indigenous peoples (e.g., tribe, nation, population);</li> <li>b. Identify indigenous peoples' rights and interests that may be affected by the proposed activities;</li> <li>c. Identify additional studies or assessments needed to determine the range and degree of potential impacts on indigenous peoples' rights or interests; and</li> <li>d. Identify if there are capacity issues that may prevent full and informed participation of indigenous peoples. If issues are identified, the operating company shall provide funding or facilitate other means to enable indigenous peoples to address capacity issues in their preferred manner; and</li> <li>e. Ensure that the community as a whole/collective has meaningful opportunities to be involved in these processes.</li> </ul>	● SQM concluded the human rights risks and impacts assessment with primary and secondary data in December 2022. The results of this study were shared with the indigenous communities, according to the evidence and the community representative. This information was verified in the agreements and minutes signed by the SQM and four of the five indigenous communities, as well as in interviews carried out with representatives of the indigenous communities. Representatives of the Peine Community were not available for interview during the assessment.
2.2.3.3.	The operating company shall collaborate with the indigenous peoples' representatives to design and implement plans to address the	● The documents analyzed, and especially the interviews carried out with four of the five communities identified, showed that SQM has

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	information gaps and needs identified through the scoping process.		collaborated with the indigenous peoples' representatives to design and implement plans to address the information gaps and needs identified through the scoping process.
2.2.4.1.	If there is more than one distinct indigenous peoples' group (e.g., tribe, nation, population) that may be affected by the operating company's mining-related activities, they may be included in a coordinated process or separate FPIC processes, as desired by the indigenous peoples.		All representatives of four of the five indigenous communities interviewed stated that the communities have different characteristics and demands. The communities have worked in recent years to build a life plan, with specific objectives for each community in each sector. According to the same interviewees, SQM has been communicating independently with communities in response to a request from them.
2.2.4.2	If the potentially affected indigenous peoples have an FPIC protocol in place or under development, the operating company shall abide by it unless changes are agreed to by the indigenous peoples' group(s). Otherwise, the operating company shall jointly develop and document, in a manner agreed to by indigenous peoples' representatives, the FPIC process or processes to be followed.		Although SQM has not carried out an FPIC to date, the entire recent process of consultation and communication with indigenous communities has been agreed by indigenous peoples' representatives. SQM has developed an FPIC process with four of the five indigenous communities.
2.2.4.3	The operating company shall make information on the mutually-agreed FPIC processes publicly available, unless the indigenous peoples' representatives have explicitly requested otherwise.		Information on consultation with indigenous communities in the environmental study impact assessment process is public and available on the Chilean Ministry of the Environment website. The agreements signed with each of the indigenous communities are confidential. Thus, according to the representatives of the communities and the documents presented by the SQM team, the agreements present evidence of FPIC, but cannot be made public at the request of the indigenous communities. Only four of the five existing communities signed the agreements.
2.2.5.1.	The operating company shall document, in a manner agreed to by the indigenous peoples, the FPIC process that was followed.		There was no formal FPIC process; however, SQM developed agreements and negotiations with indigenous communities. The negotiation process was documented in accordance with the protocols and culture of indigenous communities. However, the negotiation process is recent and cannot be evaluated as an FPIC process.
2.2.5.2.	The operating company shall publicly report, in a manner agreed to by the indigenous peoples, on the FPIC process that was followed and its outcome.	—	The agreement specifies confidentiality clauses. This information was confirmed during the interviews with indigenous communities' representatives.
2.2.5.3.	If the process results in consent being given by indigenous peoples to certain mining-related activities, an agreement outlining the terms and conditions shall be signed or otherwise validated by the operating company and the representative(s) of the indigenous peoples. The		According to the interviews carried out with the SQM social team and indigenous community representatives, SQM has maintained the consultation and participation process with all indigenous communities, and four of five indigenous communities have signed an

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	agreement shall be binding and shall be made publicly available unless the indigenous peoples' representatives explicitly request otherwise.		agreement with SQM Salar. These agreements are confidential, as requested by the indigenous communities.
2.2.6.1	For new mines, IRMA certification is not possible if a mining project does not obtain free, prior and informed consent from indigenous peoples.	—	The SQM Salar mine operation started before 2019.
2.2.7.1.	The operating company shall collaborate with indigenous peoples to monitor implementation of the FPIC agreement, and document the status of the commitments made in the agreement.	⊕	According to the provided documents and the interviews with the SQM team and indigenous communities' representatives, although there is not an FPIC, a working tables mechanism periodically reviews agreement terms and monitors their implementation.
2.2.7.2.	Engagement with indigenous peoples shall continue throughout all stages of the mining project.	⊙	Agreements were signed with four of the five indigenous communities affected by SQM Salar, and according to representatives of indigenous communities, the company has collaborated with indigenous peoples to monitor the implementation of the agreement. In December 2022, engagement was being carried out with four communities, and SQM Salar was waiting for a position from the Peine community to carry out the engagement and sign an agreement with this last community.

## Chapter 2.3—Obtaining Community Support and Delivering Benefits

### Basis for Rating

2.3.1.1.	The operating company shall publicly commit to: <ul style="list-style-type: none"> <li>a. Maintaining or improving the health, social and economic wellbeing of affected communities; and</li> <li>b. Developing a mining project only if it gains and maintains broad community support.</li> </ul>	L	The SQM Sustainability, Ethics and Human Rights document provided, which principles are publicly available on the SQM website ( <a href="https://www.sqm.com/en/politica-de-sostenibilidad-etica-y-derechos-humanos/">https://www.sqm.com/en/politica-de-sostenibilidad-etica-y-derechos-humanos/</a> ), has established a goal "to promote sustainable local development and the respect of the autonomy of the communities through a process of ongoing participation and dialogue in view of reaching mutually beneficial agreements and to enact community benefit plans and program." Several documents were provided showing how SQM is operationalizing this commitment, by prioritizing agriculture initiatives, education programs, historical heritage, women rights, and a healthier living program.  SQM also shared documents confirming support during the Covid-19 pandemic to local communities. They also provided courses and activities to improve agricultural capacity and know-how, educational achievement programs. and healthier living (sports teams and programs).
2.3.2.1.	For new mines, the operating company shall demonstrate that it obtained broad community support from communities affected by the	—	SQM Salar de Atacama mine is not a new operation.

## Chapter 2.3—Obtaining Community Support and Delivering Benefits

### Basis for Rating

	mining project, and that this support is being maintained.		
2.3.2.2.	For new mines, broad community support shall be determined through local democratic processes or governance mechanisms, or by another process or method agreed to by the company and an affected community (e.g., a referendum). Evidence of broad community support shall be considered credible if the process or method used to demonstrate support: <ul style="list-style-type: none"> <li>a. Occurred after the operating company carried out consultations with relevant stakeholders regarding potential impacts and benefits of the proposed mining project;</li> <li>b. Was transparent;</li> <li>c. Was free from coercion or manipulation; and</li> <li>d. Included the opportunity for meaningful input by all potentially affected community members, including women, vulnerable groups and marginalized members, prior to any decision or resolution.</li> </ul>	—	SQM Salar de Atacama mine is not a new operation.
2.3.2.3.	For existing mines, the operating company shall demonstrate that the mine has earned and is maintaining broad community support.	L	Although there is dissatisfaction with the operation of the mine on the part of the representatives of the indigenous communities interviewed, according to them, SQM has worked with the affected community in good faith to resolve issues to the satisfaction of the community.
2.3.3.1.	The operating company, in collaboration with affected communities and other relevant stakeholders (including workers and local government), shall develop a participatory planning process to guide a company's contributions to community development initiatives and benefits in affected communities.	L	Evidence reviewed confirms that there is an interactive process as part of the working tables (mesas de trabajo) with the community agreements signed that focus on discussing and selecting projects. This evidence was confirmed by indigenous community representatives and local government interviews. In addition, the SQM Salar de Atacama social team was mentioned by the communities as essential for the information access.
2.3.3.2.	The planning process shall be designed to ensure local participation, social inclusion (including both women and men, vulnerable groups and traditionally marginalized community members, e.g., children, youth, the elderly, or their representatives), good governance and transparency.	L	Agreements signed with communities establish rules and procedures for decision-making and participation in the programs. Almost all programs and projects are dedicated to vulnerable groups, mainly women, children, and people with low income. In addition, during the Covid-19 pandemic, SQM provided support through donations of medical insurance to vulnerable communities. According to the interviewed stakeholders, they have knowledge about the process needed to submit and approve projects by SQM. Additionally, the fieldwork confirmed the access of this information and the vulnerability of the project's beneficiaries.

## Chapter 2.3—Obtaining Community Support and Delivering Benefits

### Basis for Rating

<p>2.3.3.3. If requested by the community and not provided by the appropriate public authorities, the operating company shall provide funding for mutually agreed upon experts to aid in the participatory process.</p>	L	<p>SQM maintains projects in the community and makes resources available in different ways, both for local associations and groups, and to support public actions. Moreover, agreements signed with communities include funding for third-party experts to support the communities as requested by them.</p>
<p>2.3.3.4. Efforts shall be made to develop:</p> <ul style="list-style-type: none"> <li>a. Local procurement opportunities;</li> <li>b. Initiatives that benefit a broad spectrum of the community (e.g., women, men, children, youth, vulnerable and traditionally marginalized groups); and</li> <li>c. Mechanisms that can be self-sustaining after mine closure (including the building of community capacity to oversee and sustain any projects or initiatives agreed upon through negotiations).</li> </ul>	L	<p>According to interviews carried out with the supply sector and relationships with the SQM community and documents presented, efforts have been made to increase purchases from local suppliers. Still, according to the documents presented about the projects and interviews with the beneficiaries, there is a great diversity of benefited groups, although the most vulnerable groups are prioritized. In addition, the self-sustainability of the communities after the closure of the mine is a priority for the indigenous communities and for SQM Salar. According to interviews carried out with indigenous leaders and with the SQM team, the mine has carried out productive projects dedicated to the self-sustainability of the communities, mainly, but not only, after the closure of the mine.</p>
<p>2.3.3.5. The planning process and any outcomes or decisions shall be documented and made publicly available.</p>	L	<p>Some of the commitments are public; those disclosed during the EIA process are on the SQM website. Other commitments that are part of the agreements signed with communities are subject to confidentiality clauses as required by both parties.</p> <p>The planning process and outcomes are made publicly available, and when a community requested confidentiality clauses on their agreement, those are included and respected.</p>
<p>2.3.3.6. In collaboration with the community, the operating company shall periodically monitor the effectiveness of any mechanisms or agreements developed to deliver community benefits, based on agreed upon indicators, and evaluate if changes need to be made to those mechanisms or agreements.</p>	●	<p>Implemented actions are reviewed at the meetings with the communities' representatives as part of the working tables (mesas de trabajo). Achievement of agreements and their implementation is discussed in every working table. According to the evidence presented by the SQM team, there are tools created to monitor the projects; however, it is an initial process and does not include all projects and sectors that SQM has supported.</p>

## Chapter 2.4—Resettlement

### Basis for Rating

<p>Chapter Not Relevant</p>	—	<p>Not relevant because no resettlement has occurred in association with this mine.</p>
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## Chapter 2.5—Emergency Preparedness and Response

### Basis for Rating

2.5.1.1. **Critical** All operations related to the mining project shall have an emergency response plan conforming to the guidelines set forth in *United Nations Environment Programme, Awareness and Preparedness for Emergencies at the Local Level (APELL)* for Mining.

SQM has had a corporate emergency plan since 2019, which covers all work fronts and offices in Antofagasta and Santiago. It also has had emergency plans since 2005 in case of fuel spills in sensitive areas.

In December 2021, the company IdeAmbiente carried out a risk analysis report at the Salar de Atacama Mine that identified the risks of the operation and the risks that could affect the communities. In March 2022, the final version of the Salar de Atacama Emergency Response Plan was approved.

However, no meetings have been held with the community to discuss SQM's intention to update its Emergency Response Plan in compliance with APPEL, nor have they discussed what risks they consider should be included in the plan and what they think about the risk assessment conducted by SQM, nor have any meetings been established with the communities.

In April, SQM delivered the updated 2022 Emergency Response Plan so that the communities can submit comments or observations to the plan. These activities were carried out in April 2022. For example, the community of Peine was provided with a physical copy of the document, as were the communities of Camar and Socaire. In the community of Toconao, a presentation of the emergency response plan was given to the community board, and in Talabre the presentation was given to the community assembly. To date, the only ones that have made a statement regarding the plan is the community of Peine, in which they suggest that SQM's community relations area consider external emergencies that occur within the territory of Peine, such as hazardous substances spills, robberies, or assaults on roads.

SQM has reviewed its Emergency Response Plan and a new version (November 2022) was issued to include emergency communication flow with communities and community emergencies participation. Socialization of the plan and the communication flow is under implementation. An emergency plan workshop with Talabre community representatives was carried out on October 14, 2022. Workshops with the rest of the communities are planned for 2023.

## Chapter 2.5—Emergency Preparedness and Response

### Basis for Rating

<p>2.5.1.2. The operating company shall:</p> <ol style="list-style-type: none"><li>Conduct an exercise to test the plan, with key participants describing how they would respond to a variety of different emergency scenarios, at least every 12 to 24 months; and</li><li>Update the communications contacts of the emergency response plan at least annually.</li></ol>	<p>SQM has an emergency plan that was updated in 2022 with updated emergency response contacts. SQM has a program of drills that began in April 2022, and in May 2022 the first drill was carried out on earthquakes, involving the areas of Harvest, MOP II/ SOP pond, in which there are photographic records of the execution, also establishing findings and corrective measures.</p> <p>There are a total of eight simulation plans for the eight areas for the Salar de Atacama mine.</p> <p>However, it was observed that the emergencies for the drills considered for all the areas are the same. There has not been an identification of which are the greatest risks for each area, and based on this identification of the risks, assigned an order of priority to carry out the drills in the different areas as appropriate.</p>
<p>2.5.2.1. <b>Critical</b> The emergency response plan shall be developed in consultation with potentially affected communities and workers and/or workers' representatives, and the operating company shall incorporate their input into the emergency response plan, and include their participation in emergency response planning exercises.</p>	<p>SQM has corporate and site emergency response plans. It also has emergency subprograms for the Antofagasta site. Among SQM's activities are that in 2011 it communicated to the Antofagasta Water Authority about the development of a contingency response plan against spills of hazardous substances in the Loa River, in 2011 and 2019 it made a presentation on aid management for heavy rains and cold conditions to the community of San Pedro de Atacama. SQM has a new Emergency Response Plan that was approved in March 2022.</p> <p>SQM has reviewed its Emergency Response Plan, involving operational, support and community relations areas related to emergency response. SQM has held communications, meetings and workshops with community representatives (Atacameño communities of Peine, Talabre, Socaire, Camar, Toconao) and the mayor of San Pedro de Atacama. In addition to requesting comments on the Emergency Plan, however, not all communities have sent their comments. From the meetings held between SQM and some communities, the need to support the communities in developing their own emergency plans was identified. SQM is currently implementing a support plan for the communities to develop their own emergency plans.</p> <p>It has also implemented a new community emergency communication system, which is in the process of being socialized. A drill plan for 2023 has been developed. The results of this plan will be reviewed in the next evaluation.</p>



## Chapter 2.5—Emergency Preparedness and Response

### Basis for Rating

<p>2.5.3.1. All operations related to the mining project shall be covered by a public liability accident insurance policy that provides financial insurance for unplanned accidental events.</p>	<p>L</p>	<p>By local law, all workers have occupational accident insurance in accordance with the provisions of Law 16,744, in connection with medical expenses for injuries or occupational diseases, and salaries. Salaries, during the recovery or rehabilitation period are fully covered by the social insurance for occupational accidents and occupational diseases. The exceptions are accidents due to force majeure and those caused intentionally by the worker. Also, by law, they have a mandatory insurance for COVID-19 based on law 21342.</p> <p>In addition to the aforementioned, SQM provides complementary insurance called Benefit for Death or total and permanent disability of the worker, focused on 12 salaries (wages) for natural death and 24 salaries (wages) for death at work. It also has catastrophic insurance for people who have an indefinite contract and is extensive for the spouse and children. They also have complementary health insurance that covers a percentage of the expenses incurred by workers in addition to the health insurance provided by local legislation. SQM also has liability insurance that covers from December 18, 2021 to December 18, 2022.</p>
<p>2.5.3.2. The public liability accident insurance shall cover unplanned accidental events such as flood damage, landslides, subsidence, mine waste facility failures, major spills of process solutions, leaking tanks, or others.</p>	<p>⊕</p>	<p>SQM has the insurance required by Chilean law as mentioned in the previous item, and a civil liability insurance from December 18, 2021 to December 18, 2022. This insurance is renewed on an annual basis. However, the insurance policy does not mention that it will cover accidents due to unforeseen accidental events such as damage from flooding, landslides, subsidence, failure of mine waste facilities, major spills of process solutions, tank leaks, or others.</p>
<p>2.5.3.3. The accident insurance coverage shall remain in force for as long as the operating company, or any successor, has legal responsibility for the property.</p>	<p>⊕</p>	<p>SQM has the insurance required by Chilean law, which is in effect for as long as the employee remains linked to the organization. It also has liability insurance from December 18, 2021 to December 18, 2022, which is renewed annually. However, the insurance policy does not mention that the accident insurance coverage will remain in force as long as the operating company, or any successor, has legal responsibility for the property.</p>

## Chapter 2.6—Planning and Financing Reclamation and Closure

### Basis for Rating

<p>2.6.1.1. The operating company shall guarantee that the cost of implementing reclamation for exploration activities related to the mining development will be met by the company.</p>	<p>L</p>	<p>The closure plan was approved by the mining agency (SERNAGEOMIN) on August 9, 2022. A new guarantee instrument was approved and current. The closure plan includes exploration</p>
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## Chapter 2.6—Planning and Financing Reclamation and Closure

### Basis for Rating

			activities and the associated costs are included in the financial guarantee instrument
2.6.1.2.	The operating company shall implement exploration-related reclamation in a timely manner.	L	The closure plan was approved by the mining agency (SERNAGEOMIN) on August 9, 2022, and includes the exploration-related reclamation aspects.. Exploration-related reclamation activities have been conducted in a timely manner.
2.6.1.3.	Any stakeholder complaints of incomplete or inadequate exploration reclamation, if not resolved by other means, shall be discussed and resolved through the operational-level grievance mechanism (see IRMA Chapter 1.4).	●	There is a grievances process to receive any type of complaints from stakeholders. Currently, SQM is working to upgrade the current process and platform to facilitate the process, and tracking, reporting, and closing of the cases. In addition, SQM has developed a procedure to process any complaints related to the closure process.
2.6.2.1	<b>Critical</b> Prior to the commencement of mine construction activities the operating company shall prepare a reclamation and closure plan that is compatible with protection of human health and the environment, and demonstrates how affected areas will be returned to a stable landscape with an agreed post-mining end use.	L	The closure plan was approved by the mining agency (SERNAGEOMIN) on August 9, 2022. The new plan includes how affected areas will be returned to a stable landscape. It is important to highlight that SQM operations also depend on the CORFO (owner) contract, which expires in 2030. Extraction is expected to continue after 2030 through a renewal of SQM's contract or with a new operating company. In the case that SQM does not continue with the operations, CORFO will define and agree to the SQM contract termination conditions, with regard to facilities and infrastructure. In any case, at that time a new closure plan will be required.
2.6.2.2	At a minimum, the reclamation and closure plan shall contain: <ul style="list-style-type: none"> <li>a. A general statement of purpose;</li> <li>b. Site location and background Information;</li> <li>c. A description of the entire facility, including individual site features;</li> <li>d. The role of the community in reviewing the reclamation and closure plan;</li> <li>e. Agreed-upon (after-ESIA) post-mining land use and facility use;</li> <li>f. Source and pathway characterization including geochemistry and hydrology to identify the potential discharge of pollutants during closure;</li> <li>g. Source mitigation program to prevent the degradation of water resources;</li> <li>h. Interim operations and maintenance, including process water management, water treatment, and mine site and waste site geotechnical stabilization;</li> <li>i. Plans for concurrent or progressive reclamation and revegetation, which should be employed wherever practicable;</li> <li>j. Earthwork: <ul style="list-style-type: none"> <li>i. Stabilization and final topography of the reclaimed mine lands;</li> </ul> </li> </ul>	●	<p>SQM developed a closure plan, presented and approved in 2015, in compliance with Law 20,551, which regulates the closure of mining operations and facilities. This plan does not include all the IRMA requirements.</p> <p>In 2020, a comprehensive update of the Mine Closure Plan was presented, subject to a general application procedure. The updated closure plan includes most of the requirements from a to q. However, some aspects need further clarification such as:</p> <p>d) Role of the community in reviewing the reclamation and closure plan. (There is a communication plan, but it is not clear about the consultation process).</p> <p>e) Agreed-upon (after-ESIA) post-mining land use and facility use even when the intention of the remediation plan is to leave the area close to the initial state, there is no formal agreement between the agencies and other interested parties on the final use of the area. According to the legal agreement with CORFO, at the end of the contract SQM committed to deliver all the facilities to CORFO to continue the exploitation. On the other hand, by law, the closure plan must consider termination of operations.</p>

**Chapter 2.6—Planning and Financing  
Reclamation and Closure**

**Basis for Rating**

<ul style="list-style-type: none"> <li>ii. Storm water runoff/run-on management;</li> <li>iii. Topsoil salvage to the maximum extent practicable;</li> <li>iv. Topsoil storage in a manner that preserves its capability to support plant regeneration;</li> <li>k. Revegetation/Ecological Restoration:             <ul style="list-style-type: none"> <li>i. Plant material selection, prioritizing native species as appropriate for the agreed post-mine land use;</li> <li>ii. Quantitative revegetation standards with clear measures to be implemented if these standards are not met within a specified time;</li> <li>iii. A defined period, no longer than 10 years, when planned revegetation tasks shall be completed;</li> <li>iv. Measures for control of noxious weeds;</li> <li>v. Planned activities to restore natural habitats (as well as biodiversity, ecosystem services and other conservation values as per Chapter 4.6);</li> </ul> </li> <li>l. Hazardous materials disposal;</li> <li>m. Facility demolition and disposal, if not used for other purposes;</li> <li>n. Long-term maintenance;</li> <li>o. Post-closure monitoring plan;</li> <li>p. The role of the community in long-term monitoring and maintenance (if any); and</li> <li>q. A schedule for all activities indicated in the plan.</li> </ul>		
<p>2.6.2.3. The reclamation and closure plan shall include a detailed determination of the estimated costs of reclamation and closure, and post-closure, based on the assumption that reclamation and closure will be completed by a third party, using costs associated with the reclamation and closure plan as implemented by a regulatory agency. These costs shall include, at minimum:</p> <ul style="list-style-type: none"> <li>a. Mobilization/demobilization;</li> <li>b. Engineering redesign, procurement, and construction management;</li> <li>c. Earthwork;</li> <li>d. Revegetation/Ecological Restoration;</li> <li>e. Disposal of hazardous materials;</li> <li>f. Facility demolition and disposal;</li> <li>g. Holding costs that would be incurred by the regulatory agency following a bankruptcy in the first two years before actual reclamation begins, including:             <ul style="list-style-type: none"> <li>i. Interim process water and site management; and</li> <li>ii. Short-term water treatment;</li> </ul> </li> <li>h. Post-closure costs for:</li> </ul>	L	<p>The reclamation and closure plan includes a detailed determination of the estimated costs of reclamation and closure, and post-closure, based on the assumption that reclamation and closure will be completed by a third party, using costs associated with the reclamation and closure plan as implemented by a regulatory agency.</p> <p>Estimated costs include, at minimum, those outlined in sub-requirements a through j.</p> <p>The insurance policy is updated annually. Independent quotes are requested from contractor companies to update the values of the required activities. A new insurance policy was issued to cover the new estimated costs considered in the new reclamation and closure plan.</p>

## Chapter 2.6—Planning and Financing Reclamation and Closure

## Basis for Rating

<ul style="list-style-type: none"> <li>i. Long-term water treatment; and</li> <li>ii. Long-term monitoring and maintenance;</li> <li>i. Indirect Costs:             <ul style="list-style-type: none"> <li>i. Mobilization/demobilization;</li> <li>ii. Engineering redesign, procurement and construction management;</li> <li>iii. Contractor overhead and profit;</li> <li>iv. Agency administration;</li> <li>v. Contingency; and</li> </ul> </li> <li>j. Either:             <ul style="list-style-type: none"> <li>i. A multi-year inflation increase in the financial surety; or</li> <li>ii. An annual review and update of the financial surety.</li> </ul> </li> </ul>		
<p>2.6.2.4. The operating company shall review and update the reclamation and closure plan and/or financial assurance when there is a significant change to the mine plan, but at least every 5 years, and at the request of stakeholders provide them with an interim reclamation progress report.</p>	●	<p>According to Chilean Law 20,551, which regulates the closure of mining sites and facilities, closure plans need to be reviewed every 5 years. In 2015, SQM presented a transitory closure plan, which was updated in 2020. Delays in the approval of this plan have occurred, mainly due to the pandemic impact. However, the organization was diligent in the update preparation.</p> <p>There is no evidence that SQM provides interim reclamation progress reports to stakeholders if requested.</p>
<p>2.6.2.5. If not otherwise provided for through a regulatory process, prior to the commencement of the construction of the mine and prior to completing the final reclamation plan the operating company shall provide stakeholders with at least 60 days to comment on the reclamation plan. Additionally:</p> <ul style="list-style-type: none"> <li>a. If necessary, the operating company shall provide resources for capacity building and training to enable meaningful stakeholder engagement; and</li> <li>b. Prior to completing the final reclamation plan, the operating company shall provide affected communities and interested stakeholders with the opportunity to propose independent experts to provide input to the operating company on the design and implementation of the plan and on the adequacy of the completion of reclamation activities prior to release of part or all of the financial surety.</li> </ul>	⊕	<p>SQM follows the Chilean regulatory process regarding stakeholders' consultation. There are no specific processes for the closure plan, but during the environmental impact declarations and environmental impact studies stakeholders have the opportunity to raise observations.</p> <p>There is no evidence that prior to completing the final reclamation plan SQM provided affected communities and interested stakeholders with the opportunity to propose independent experts to provide input to the operating company on the design and implementation of the plan and on the adequacy of the completion of reclamation activities prior to release of part or all of the financial surety.</p>
<p>2.6.2.6. <b>Critical</b> The most recent version of the reclamation and mine closure plan, including the results of all reclamation and closure plan updates, shall be publicly available or available to stakeholders upon request.</p>	L	<p>The National Service of Geology and Mining (SERNAGEOMIN), the body that authorizes the closure plans, publishes on its website the resolutions and approved files of all the owners, which is why all interested parties and social actors can have free access to the information contained in the reclamation and closure plans. In addition, SQM is working on the development of a new platform (Salesforce) where, apart from making requests, stakeholders will be able to</p>




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		exercise their right to make complaints and claims. The public link to access said information is as follows: <a href="https://www.sernageomin.cl/planes-de-cierre/">https://www.sernageomin.cl/planes-de-cierre/</a>
2.6.3.1.	Open pits shall be partially or completely backfilled if: <ul style="list-style-type: none"> <li>a. A pit lake is predicted to exceed the water quality criteria in IRMA Chapter 4.2; and</li> <li>b. The company and key stakeholders have agreed that backfilling would have socioeconomic and environmental benefits; and</li> <li>c. It is economically viable.</li> </ul>	— No open pit mine at the site.
2.6.3.2.	Underground mines shall be backfilled if: <ul style="list-style-type: none"> <li>a. Subsidence is predicted on lands not owned by the mining company; and</li> <li>b. If the mining method allows.</li> </ul>	— No underground mine at the site.
2.6.4.1.	<b>Critical</b> Financial surety instruments shall be in place for mine closure and post-closure.	L The new closure plan, which includes IRMA requirements, was approved by the Mining Agency (SERNAGEOMIN) on August 9, 2022. A new financial instrument (Garantia) was issued to cover the new calculations for the cost of the closure and post closure plan.
2.6.4.2.	Financial surety instruments shall be: <ul style="list-style-type: none"> <li>a. Independently guaranteed, reliable, and readily liquid;</li> <li>b. Reviewed by third-party analysts, using accepted accounting methods, at least every five years or when there is a significant change to the mine plan;</li> <li>c. In place before ground disturbance begins; and</li> <li>d. Sufficient to cover the reclamation and closure expenses for the period until the next financial surety review is completed.</li> </ul>	L SQM has a financial surety instrument in place for closure and post closure activities following the Chilean regulations. This instrument is reviewed by third parties, including the governmental agencies (CORFO). The guarantee needs to be in place before commencing mining activities to get the project approval. The amount is periodically reviewed and updated every 5 years or after significant expansions.  The current financial surety amount is based on the approved closure and reclamation plan (2022).
2.6.4.3.	Self-bonding or corporate guarantees shall not be used.	L Self-bonding or corporate guarantees are not used as financial surety instruments for the mining project.
2.6.4.4.	The results of all approved financial surety reviews, with the exception of confidential business information, shall be made available to stakeholders upon request.	L These documents are available through the SERNAGEOMIN website. Additionally, SQM has a process to receive any requests and/or complaints from stakeholders. This process is currently being upgraded.
2.6.4.5.	Prior to the commencement of the construction of the mine, prior to any renewal of the financial surety, and prior to final release of the financial surety the operating company shall provide the public with at least 60 days to comment on the adequacy of the financial surety. Additionally: <ul style="list-style-type: none"> <li>a. Where the company deems certain financial surety information to be confidential business information it shall make the data available to the IRMA auditor and satisfy the auditor that</li> </ul>	⊕ SQM follows the Chilean regulatory process regarding stakeholder consultation. There is no specific process to facilitate stakeholders' review and comment on the adequacy of the financial surety.



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<p>2.6.4.6. The terms of the financial surety shall guarantee that the surety is not released until:</p> <ul style="list-style-type: none"> <li>a. Revegetation/ecological restoration and reclamation of mine and waste sites and have been shown to be effective and stable; and</li> <li>b. Public comment has been taken before partial or final surety release.</li> </ul>		<p>According to Chilean Law 20,551, which regulates the closure of mining sites and facilities, a financial surety guarantee cannot be released until the agency verifies compliance with the closure plan. There is no evidence of a specific process to allow public comment before the partial or final surety release.</p>
<p>2.6.5.1. Monitoring of closed mine facilities for geotechnical stability and routine maintenance is required in post-closure. The reclamation and closure plan shall include specifications for the post-closure monitoring and maintenance of all mine facilities, including, but not limited to:</p> <ul style="list-style-type: none"> <li>a. Inspection of surface (open pits) and underground mine workings;</li> <li>b. Inspection and maintenance of mine waste facilities including effectiveness of cover and any seepage capture systems; and</li> <li>c. Mechanisms for contingency and response planning and implementation.</li> </ul>	<p>L</p>	<p>Post-closure monitoring and maintenance requirements (a to c) are included in the closure plan approved by SERNAGEOMIN on August 9, 2022.</p>
<p>2.6.5.2. Monitoring locations for surface and groundwater shall be sufficient to detect off-site contamination from all closed mine facilities, as well as at the points of compliance.</p>		<p>The proposed post-closure monitoring program is under reevaluation to ensure effectiveness in the detection of offsite potential contamination, as well as point of compliance.</p> <p>A project for changes and improvements is under development that will be entered into an environmental evaluation, and contemplates that once the operation is completed, the aquifer must be monitored for up to 5 years after the project is closed. Regarding the vegetation, monitoring will be carried out through satellite images during the same period, 5 years after project closure.</p>
<p>2.6.5.3. Water quality monitoring locations shall be sampled until IRMA Water Quality Criteria have been met for at least 5 years, with a minimum of 25 years of post-closure data. The 25-year minimum may be waived if ongoing water quality monitoring demonstrates and modeling predicts that no contamination of surface or ground waters is occurring or will occur, respectively.</p>		<p>A project for changes and improvements is under development that will be entered into environmental evaluation, and contemplates that once the operation is completed, the aquifer must be monitored for up to 5 years after the project is closed. Regarding the vegetation, monitoring will be carried out through satellite images during the same period, 5 years after project closure, after which the need to extend</p>

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		the monitoring work will be evaluated. IRMA water quality criteria requirements consideration is pending.
2.6.5.4.	Biologic monitoring shall be included in post-closure monitoring if required to ensure there is no ongoing post-closure damage to aquatic and terrestrial resources.	 A biologic monitoring program is under development and update for approval.
2.6.5.5.	If a pit lake is present, pit lake water quality shall be monitored, and if potentially harmful to people, wildlife, livestock, birds, or agricultural uses, adequate measures shall be taken to protect these organisms.	— No open pit mine at the site.
2.6.6.1.	Long-term water treatment shall not take place unless: <ul style="list-style-type: none"> <li>a. All practicable efforts to implement best practice water and waste management methods to avoid long-term treatment have been made; and</li> <li>b. The operating company funds an engineering and risk assessment that: <ul style="list-style-type: none"> <li>i. Is carried out by an independent third-party;</li> <li>ii. Evaluates the environmental and financial advantages/disadvantages and risks of long-term water treatment versus other mitigation methods;</li> <li>iii. Incorporates data on the failure rates of the proposed mitigation measures and water treatment mechanisms;</li> <li>iv. Determines that the contaminated water to be treated perpetually poses no significant risk to human health or to the livelihoods of communities if the discharge were to go untreated; and</li> <li>v. Includes consultations with stakeholders and their technical representatives during the design of the study, and discussion of findings with affected communities prior to mine construction or expansion.</li> </ul> </li> </ul>	— Within the measures of the closure plan approved by the authority, long term water treatment is not considered since the studies carried out have shown that this is not required. There are no guarantees associated with the Chilean Water Code for the reasons stated above.
2.6.6.2	If a decision is made to proceed with long-term water treatment, the operating company shall take all practicable efforts to minimize the volume of water to be treated.	— No post closure water treatment has been identified as necessary.
2.6.7.1.	The operating company shall provide sufficient financial surety for all long-term activities, including: mine closure and post-closure site monitoring, maintenance, and water treatment operations. Financial assurance shall guarantee that funds will be available, irrespective of the operating company's finances at the time of mine closure or bankruptcy.	 SQM complies with all the Chilean regulations to ensure the existence of solid financial surety instruments to cover all the costs associated with closure and post closure, regardless if SQM finances at the time of mine closure. The current financial surety is based on the August 9, 2022 approved closure and reclamation plan, and conforms to IRMA requirements and complies with Chilean regulations.
2.6.7.2.	If long-term water treatment is required post-closure:	— No post closure water treatment has been identified as necessary.

## Chapter 2.6—Planning and Financing Reclamation and Closure

## Basis for Rating

<ul style="list-style-type: none"> <li>a. The water treatment cost component of the post-closure financial surety shall be calculated conservatively, and cost calculations based on treatment technology proven to be effective under similar climatic conditions and at a similar scale as the proposed operation; and</li> <li>b. When mine construction commences, or whenever the commitment for long-term water treatment is initiated, sufficient funding shall be established in full for long-term water treatment and for conducting post-closure monitoring and maintenance for as long as IRMA Water Quality Criteria are predicted to be exceeded.</li> </ul>		
<p>2.6.7.3. The post-closure financial surety shall be recalculated and reviewed by an independent analyst at the same time as the reclamation financial surety.</p>	L	<p>According to the Chilean regulations, SQM needs to update the financial surety instruments annually, and they need to be reviewed by the agencies. Evidence of this review is available.</p>
<p>2.6.7.4. Long-term Net Present Value (NPV) calculations utilized to estimate the value of any financial surety shall use conservative assumptions, including:</p> <ul style="list-style-type: none"> <li>a. A real interest rate of 3% or less; unless the entity holding the financial surety can document that a higher long-term real interest rate can be achieved; and</li> <li>b. NPV calculation will be carried out until the difference in the NPV between the last two years in the calculations is US \$10.00 or less (or its equivalent in other currencies).</li> </ul>	⊕	<p>Post-closure financial surety is calculated in compliance with Chilean regulatory requirements, but it is not clear if this methodology conforms to IRMA requirements.</p>



# Principle 3: Social Responsibility

RATING LEGEND  
Description of performance

	Fully meets
	Substantially meets
	Partially meets
	Does not meet
	Not relevant

## Chapter 3.1—Fair Labor and Terms of Work

## Basis for Rating

3.1.1.1.	The operating company shall adopt and implement human resources policies and procedures applicable to the mining project that set out its approach to managing workers in a manner that is consistent with the requirements of this chapter and national (i.e., host country) law.	L	The provided documents by SQM present the human resources policies and procedures, and the implementation of these procedures. This information was confirmed by employees and contractors during the interviews.
3.1.2.1.	<b>Critical</b> The operating company shall respect the rights of workers to freedom of association and collective bargaining.	L	SQM made available documents that show the negotiations prior to the collective agreement, and no evidence of restriction on free association was identified. Additionally, in an interview, the leader of the union that represents all workers on the site presented the history of the union, negotiations, contact channels and evidence of negotiation, and free association, in accordance with Chilean legislation. The interviewed employees also claimed to be part of the union or the possibility of creating and participating in one. SQM and the union representative made the latest collective agreement available for consultation.
3.1.2.2.	Where national law substantially restricts workers' organizations, the operating company shall not restrict workers from developing alternative mechanisms to express their grievances and protect their rights regarding working conditions and terms of employment. The operating company shall not seek to influence or control these mechanisms.	—	In Chile, the legislation does not restrict workers from forming a workers' organization.
3.1.2.3.	The operating company shall engage with workers' representatives and workers' organizations and provide them with information needed for meaningful negotiation in a timely manner.	L	The presented documents show evidence of collective bargaining. The union representative confirmed that the union members have access to all necessary information.
3.1.2.4.	Workers' representatives shall have access to facilities needed to carry out their functions in the workplace. This includes access to designated non-work areas during organizing efforts for the purposes of communicating with workers, as well as	L	The presented documents and the interviews with employees and the union representative show evidence of the collective bargaining, and the access to all facilities and information when requested.

## Chapter 3.1—Fair Labor and Terms of Work

## Basis for Rating

	accommodations for workers' representatives at fly-in/fly-out or other remotely located mine sites, where relevant.		
3.1.2.5.	The operating company shall remain neutral in any legitimate unionizing or worker-organizing effort; shall not produce or distribute material meant to disparage legitimate trade unions; shall not establish or support a company union for the purpose of undermining legitimate worker representation; and shall not impose sanctions on workers' organizations participating in a legal strike.	L	According to the employees, the union representative, and the provided documents, SQM has achieved all sub-requirements related to a free workers' organization.
3.1.2.6.	Upon employment, the operating company shall: <ul style="list-style-type: none"> <li>a. Inform workers of their rights under national labor and employment law;</li> <li>b. Inform workers that they are free to join a workers' organization of their choosing without any negative consequences or retaliation from the operating company;</li> <li>c. If relevant, inform workers of their rights under any applicable collective agreement; and</li> <li>d. If relevant, provide workers with a copy of the collective bargaining agreement and the contact information for the appropriate trade union (or workers' organization) representative.</li> </ul>	L	According to the interviews with employees and SQM's human resources team, in addition to the documents analyzed, the company's hiring procedures include providing information on workers' rights, pursuant to Chilean labor legislation, which provides, among other things, the free association of workers. In addition, employees and the union representative confirmed access to information and compliance with all sub-requirements.
3.1.2.7.	The operating company shall not discriminate or retaliate against workers who participate, or seek to participate, in legitimate workers' organizations or in a legal strike.	L	SQM presented the anti-discrimination policies of freedom of association and the collective bargaining agreement. The SQM team also presented the records of workers' complaints, and the follow-up by the company and a third party. In addition, the interviewed employees and contractors confirmed that SQM does not discriminate or retaliate against workers who participate, or seek to participate, in legitimate workers' organizations or in a legal strike.
3.1.2.8.	Where the operating company is a party to a collective bargaining agreement with a workers' organization, the terms of the agreement shall be respected. Where such an agreement does not exist, or an agreement does not address specific requirements in this chapter, the operating company shall meet the relevant IRMA requirements.	L	SQM is party to a collective bargaining agreement with a workers' union, and according to the employees and union representative, has respected all the terms of this agreement.
3.1.2.9.	The operating company shall not make use of short-term contracts or other measures to undermine a collective bargaining agreement or worker organizing effort, or to avoid or reduce obligations to workers under applicable labor and social security laws and regulations.	L	According to the provided documents and the interviews with contractors, employees, and the union representative, SQM does not use short-term contracts or other measures to undermine a collective bargaining agreement or worker organizing effort, or to avoid or reduce obligations to workers under

## Chapter 3.1—Fair Labor and Terms of Work

## Basis for Rating

		Basis for Rating
3.1.2.10. The operating company shall not hire replacement workers in order to prevent, undermine or break up a legal strike, support a lockout, or avoid negotiating in good faith. The company may, however, hire replacement workers to ensure that critical maintenance, health and safety, and environmental control measures are maintained during a legal strike.	L	applicable labor and social security laws and regulations.  According to the provided documents and the interviews with contractors, employees, and the union representative, SQM does not hire replacement workers to prevent, undermine, or break up a legal strike, support a lockout, or avoid negotiating in good faith.
3.1.3.1. The operating company shall base employment relationships on the principles of equal opportunity and fair treatment, and shall not discriminate or make employment decisions on the basis of personal characteristics unrelated to inherent job requirements.	L	The documents provided by the SQM human resources and compliance teams showed that the adopted policy and measures do not discriminate based on personal characteristics unrelated to inherent job requirements. In addition, these measures and policies were confirmed by the employees and contractors.
3.1.3.2. Exceptions to 3.1.3.1 may be made with respect to hiring and recruitment in the case of: a. Targets or quotas mandated by law; b. Targets developed through local agreements for the employment of local residents, indigenous peoples, or individuals who have been historically disadvantaged; or c. Operating company targets for the employment of local residents, indigenous peoples, or individuals who have been historically disadvantaged that are expressed in publicly accessible policies with explicit goals and justification for such targets.	—	None of the criteria listed in this requirement that demands its evaluation was identified. This is considered as Not Relevant.
3.1.3.3. <b>Critical</b> The operating company shall take measures to prevent and address harassment, intimidation, and/or exploitation, especially in regard to female workers.	●	SQM has a policy to combat all forms of harassment, as well as programs to promote the hiring and expansion of space for female workers at the mine. Evidence of the functioning, monitoring, recording, and follow-up of the system for reporting harassment or other workers' complaints was also presented. However, there were no effective actions to prevent harassment, including to women. Thus, the requirement was not fully complied with.
3.1.4.1. Prior to implementing any collective dismissals, the operating company shall carry out an analysis of alternatives to retrenchment. If the analysis does not identify viable alternatives to retrenchment, a retrenchment plan shall be developed in consultation with workers, their organizations, and, where appropriate, the government. The plan shall be based on the principle of non-discrimination, and be	—	Currently has been no retrenchment of workers at the mining project, this requirement is considered as Not Relevant.

## Chapter 3.1—Fair Labor and Terms of Work

## Basis for Rating

	implemented to reduce the adverse impacts of retrenchment on workers.		
3.1.4.2.	The operating company shall ensure that all workers receive notice of dismissal and severance payments mandated by law and collective agreements in a timely manner. All outstanding back pay, social security benefits, and pension contributions and benefits shall be paid on or before termination of the working relationship, or in accordance with a timeline agreed through a collective agreement. Payments shall be made directly to workers, or to appropriate institutions for the benefit of workers. Where payments are made for the benefit of workers, they shall be provided with evidence of such payments.	L	According to the employees, the union representative, and the SQM dismissal plan, SQM has adopted dismissal and severance payments according to the federal law and the collective agreements.
3.1.5.1.	<b>Critical</b> The operating company shall provide a grievance mechanism for workers (and their organizations, where they exist) to raise workplace concerns. The mechanism, at minimum: <ul style="list-style-type: none"> <li>a. Shall involve an appropriate level of management and address concerns promptly, using an understandable and transparent process that provides timely feedback to those concerned, without any retribution;</li> <li>b. Shall allow for anonymous complaints to be raised and addressed;</li> <li>c. Shall allow workers' representatives to be present, if requested by the aggrieved worker; and</li> <li>d. Shall not impede access to other judicial or administrative remedies that might be available under the law or through existing arbitration procedures, or substitute for grievance mechanisms provided through collective agreements.</li> </ul>	L	SQM provided evidence on the grievance mechanism for workers. The whistleblowing flow, global whistleblowing procedures, and global verification and sanctions procedures present the conditions for meeting sub-requisites a through d. The document "Global procedure for internal investigations and sanctions" (Procedimiento global for internal investigations and sanctions) presents the mechanisms for evaluating the results of investigations and for determining the appropriate preventive and corrective measures, including internal sanctions in case of violation of the program and laws from the country. This document presents the procedures that define the sanctions, if applicable, and the code of conduct presents the anti-retaliation procedures.
3.1.5.2.	The operating company shall inform the workers of the grievance mechanism at the time of recruitment and make it easily accessible to them.	L	SQM presented evidence that workers' have access to the grievance mechanisms, and SQM has improved the dissemination of these grievance mechanisms. In the interviews, employees and contractors claimed to know the reporting channels.
3.1.5.3.	The operating company shall maintain a record of grievances and the company's actions taken to respond to and/or resolve the issues.	L	The document called "Registro con las Sanciones Relacionadas al Canal de Denuncias" presents the SQM system in place to record the grievances filed, investigations undertaken, and remedies or resolutions for every grievance. SQM is responsible for compliance with the platform used to register all complaints.
3.1.6.1.	The operating company shall have documented disciplinary procedures (or their equivalent) that are made available to all workers.	L	The documents provided by SQM present evidence that the mine has documented disciplinary procedures; in addition, the mine makes the disciplinary procedures available to all workers. The interviewed employees

## Chapter 3.1—Fair Labor and Terms of Work

## Basis for Rating

		and contractors confirmed their access to disciplinary procedures.
3.1.6.2.	The operating company shall not use corporal punishment, harsh or degrading treatment, sexual or physical harassment, mental, physical or verbal abuse, coercion or intimidation of workers during disciplinary actions.	L The documents provided by SQM present evidence that the mine does not use corporal punishment; harsh or degrading treatment; sexual or physical harassment; mental, physical, or verbal abuse; coercion; or intimidation of workers during disciplinary actions. The interviewed employees and contractors confirmed the evidence.
3.1.6.3.	The operating company shall keep records of all disciplinary actions taken.	L The SQM person responsible for compliance presented the platform used to register all complaints. The same platform is used to record all disciplinary action taken.
3.1.7.1.	The operating company shall document the ages of all workers.	L According to the SQM "Política y Procedimiento de Selección de Personas" and the "Base de Trabajadores," the mine has a system to verify the age of workers and maintains age records for workers. The interview with the SQM human resources representative responsible confirmed this information.
3.1.7.2.	<b>Critical</b> Children (i.e., persons under the age of 18) shall not be hired to do hazardous work (e.g., working underground, or where there is exposure to hazardous substances).	L According to the SQM "Política y Procedimiento de Selección de Personas" and the "Base de Trabajadores," the mine had no workers under 20 years old as of June 2021.
3.1.7.3.	<b>Critical</b> The minimum age for non-hazardous work shall be 15, or the minimum age outlined in national law, whichever is higher.	L According to the SQM "Política y Procedimiento de Selección de Personas" and the "Base de Trabajadores," the mine had no workers under 20 years old as of June 2021.
3.1.7.4.	When a child is legally performing non-hazardous work, the company shall assess and minimize the risks to their physical or mental health, and ensure that regular monitoring of the child's health, working conditions and hours of work occurs by the national labor authority, or if that is not possible, by the company itself.	— According to the SQM "Política y Procedimiento de Selección de Personas" and the "Base de Trabajadores," the fieldwork carried out in June 2022 had no workers under 20 years old.
3.1.7.5.	If the operating company discovers that a child under the minimum age outlined in 3.1.7.2 and 3.1.7.3 is performing hazardous or non-hazardous work: <ul style="list-style-type: none"> <li>a. The child shall be removed immediately from his or her job; and</li> <li>b. Remediation procedures shall be developed and implemented that provide the child with support in his or her transition to legal work or schooling, and that take into consideration the welfare of the child and the financial situation of the child's family.</li> </ul>	— According to the SQM "Política y Procedimiento de Selección de Personas" and the "Base de Trabajadores," the fieldwork carried out in June 2022 had no workers under 20 years old.
3.1.7.6.	Where there is a high risk of child labor in the mine's supply chain, the operating company shall develop and implement procedures to monitor its suppliers to determine if children	— There is not a high risk of child labor in the mine's supply chain.

## Chapter 3.1—Fair Labor and Terms of Work

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	below the minimum age for hazardous or non-hazardous work are being employed. If any cases are identified, the operating company shall ensure that appropriate steps are taken to remedy them. Where remedy is not possible, the operating company shall shift the project's supply chain over time to suppliers that can demonstrate that they are complying with this chapter.		
3.1.8.1.	<b>Critical</b> The operating company shall not employ forced labor or participate in the trafficking of persons.	L	The documents presented, as well as the interviews carried out with workers, contractors, and external stakeholders, show that there is no forced labor associated with the mine. The sector responsible for the selection, registration, and management of suppliers also presented the documents required from suppliers and their monitoring. Thus, forced labor was not identified in the entire SQM Salar de Atacama chain.
3.1.8.2.	Where there is a high risk of forced or trafficked labor in the mine's supply chain, the operating company shall develop and implement procedures to monitor its suppliers to determine if forced labor or trafficked workers are being employed. If any cases are identified, the operating company shall ensure that appropriate steps are taken to remedy them. Where remedy is not possible, the operating company shall shift the project's supply chain over time to suppliers that can demonstrate that they are complying with this chapter.	—	There is not a high risk of forced or trafficked labor in the mine's supply chain.
3.1.9.1.	The operating company shall pay wages to workers that meet or exceed the higher of applicable legal minimum wages, wages agreed through collective wage agreements, or a living wage.	L	The SQM payment procedures indicated that the mine pays wages to workers that meet or exceed the higher of applicable legal minimum wages, wages agreed through collective wage agreements, or a living wage. According to the interviews with the SQM human resources representative responsible, employees, and the union representative, the SQM Salar de Atacama pays the employees according to the collective wage agreement, considering suggestions by the union.
3.1.9.2.	Overtime hours shall be paid at a rate defined in a collective bargaining agreement or national law, and if neither exists, at a rate above the regular hourly wage.	L	SQM compensates the overtime at a rate defined in the collective bargaining agreement or defined by national law. According to the SQM human resources representative responsible and the union representative, overtime is paid considering the legal aspects, but also negotiated between the union and employees.
3.1.9.3.	All workers shall be provided with written and understandable information about wages (overtime rates, benefits, deductions and bonuses) before they enter employment, and for the pay period each time they are paid.	L	According to the SQM "Carta de Oferta y Beneficios," the mine provides workers with written and understandable information about wages before they enter employment.

## Chapter 3.1—Fair Labor and Terms of Work

## Basis for Rating

		Basis for Rating
3.1.9.4. The operating company shall pay wages in a manner that is reasonable for workers (e.g., bank transfer, cash or check).	L	This information was confirmed by interviewed employees.  According to the employees and the SQM human resources representative responsible, payment is realized by bank transfer. The employees confirmed this option is the best way to receive their salaries.
3.1.9.5. The operating company shall ensure that deductions from wages are not made for disciplinary purposes unless one of the following conditions exist: a. Deductions from wages for disciplinary purposes are permitted by national law, and the law guarantees the procedural fairness of the disciplinary action; or b. Deductions from wages for disciplinary purposes are permitted in a freely negotiated collective bargaining agreement or arbitration award.	L	In accordance with the SQM Sustainability, Ethics and Human Rights Policy, the mine does not make wage deductions for disciplinary purposes. Interviews with SQM employees and human resources staff confirmed that the company does not make these wage deductions.
3.1.10.1. The operating company shall ensure that: a. Regular working hours do not exceed eight hours per day, or 48 per week. Where workers are employed in shifts the 8-hour day and 48-hour week may be exceeded, provided that the average number of regular hours worked over a 3-week period does not exceed 8 hours per day and 48 hours per week; b. Workers are provided with at least 24 consecutive hours off in every 7-day period; and c. Overtime is consensual, and limited to 12 hours a week. d. Exceptions to 3.1.10.1.b and c shall be allowed at mines in remote locations if: i. A freely negotiated collective bargaining agreement is in force that allows variances to the rest and/or overtime hours above; and ii. Through consultations with workers' representatives, a risk management process that includes a risk assessment for extended working hours is established to minimize the impact of longer working hours on the health, safety and welfare of workers.	L	According to the interviews with the SQM human resources representative responsible, employees, and union representative, and the reviewed documents, SQM Salar de Atacama has achieved all sub-requirements. The employees of the mining operation have at least 7 days off.
3.1.10.2. Where neither national law nor a collective bargaining agreement includes provisions for worker leave, the operating company shall, at minimum, provide: a. An annual paid holiday of at least three working weeks per year, after achieving one year of service; and b. A maternity leave period of no less than 14 weeks.	—	Since the Chilean legislation includes provisions for worker leave, this requirement is considered Not Relevant.

## Chapter 3.2—Occupational Health and Safety

## Basis for Rating

<p>3.2.1.1. The operating company shall implement a health and safety management system for measuring and improving the mining project's health and safety performance.</p>	<p><b>L</b></p> <p>SQM has a policy of sustainability, ethics, and human rights, which focuses on health and safety. It also has an organization chart in which personnel responsible for operations and safety are considered; and a management system for corporate operational risks (SISGRO). The SISGRO system is based on 13 elements for identifying and managing operational risks. A document of the skills needed for each job in the risk prevention area is available. They have identified skills that need reinforcement, obtained through an annual evaluation of the health and safety and risk areas.</p> <p>The training is being developed by a third-party company that is implementing action plans identified in a previous study. This began in April 2022 and ends in April 2023. They have a management program called SQM. ZYGHT. Currently, only the supervisors have licenses. Workers have a dynamic prevention program, in which they establish unsafe conditions and behaviors. They have safety programs established by law, which are provided on an annual basis and a training program focused on the risks of their activities. They also have a hygiene program.</p>
<p>3.2.2.1. The operating company shall implement an ongoing, systematic health and safety risk assessment process that follows a recognized risk assessment methodology for industrial operations.</p>	<p><b>⊕</b></p> <p>SQM has a procedure for evaluating critical risks of its activities; this procedure includes a table for evaluating and quantifying hazards and risks, and a platform for employees to add activities they are going to perform and the hazards and risks they identify.</p> <p>However, workers do not have access to the risk assessment. What they handle is the work procedure of their activity and the HCR Risk Control Sheet (field forms). IPER training is provided to supervisors, and risk and hazard identification training is provided to members of the joint committee and some workers. Risk assessments are reviewed annually and updated if necessary. It was noted that the IPERC, work procedures, and HCRs are not standardized in the identification of risks and hazards and the means to control these risks.</p>
<p>3.2.2.2. The assessment process shall identify and assess the significance/consequence of the full range of potential hazards associated with the mining project, including those related to:</p> <ol style="list-style-type: none"> <li>The design, construction and operation of the workplace, mining-related activities and processes, the physical stability of working areas, the organization of work, use of equipment and machinery, and waste and chemical management;</li> <li>All personnel, contractors, business partners, suppliers and visitors;</li> <li>Unwanted events;</li> </ol>	<p><b>⊕</b></p> <p>SQM has a procedure to evaluate critical risks of its activities; this procedure has a table of assessment and quantification of hazards and risks and has a platform that is used by employees to add what activity they will perform, and what hazards and risks they identify. The platform includes the identification of hazards and evaluation of risks associated with construction and operation. Also, the site has documents that are the IPERC, procedures, and HRC (field sheets). These three documents identify risks</p>



## Chapter 3.2—Occupational Health and Safety

## Basis for Rating

<ul style="list-style-type: none"> <li>d. Routine and non-routine activities, products, procedures, and services; and</li> <li>e. Changes in duration, personnel, organization, processes, facilities, equipment, procedures, laws, standards, materials, products systems and services.</li> </ul>		<p>and controls for each activity. The workers receive the procedures and HRCs, but the IPERCs are not provided to all workers; furthermore, none of the three documents are standardized.</p>
<p>3.2.2.3. The operating company shall pay particular attention to identifying and assessing hazards to workers who may be especially susceptible or vulnerable to particular hazards.</p>	<p>⊕</p>	<p>SQM has an Internal work regulation in accordance with local legislation. The section Title XVI On the Work of Women and Minors, and Workers Living with Disabilities, indicates the limitations, actions, and rights of this group of people.</p> <p>There is no detailed risk assessment that considers the identification of vulnerable workers or those who may be susceptible to certain hazards. Considering that the site has personnel with disabilities, an inclusion policy was approved in 2021 and is being implemented.</p>
<p>3.2.2.4. The operating company shall develop, implement and systematically update a risk management plan that prioritizes measures to eliminate significant hazards, and outlines additional controls to effectively minimize negative consequences and protect workers and others from remaining hazards.</p>	<p>L</p>	<p>SQM has a procedure for evaluating critical risks of its activities in the construction and operation stages. It is managed through a digital platform with access given to personnel who carry out the activities. It also has guidance forms for management.</p> <p>It includes a document called "Go and See", an observation guideline for control measures applying to significant incidents and critical tasks. It explains the process of evaluation and monitoring of accidents or incidents observed, corrective action measures, and compliance with the deadlines indicated.</p>
<p>3.2.2.5. In particular, the operating company shall demonstrate that it has developed procedures and implemented measures to:</p> <ul style="list-style-type: none"> <li>a. Ensure that the mine has electrical, mechanical and other equipment, including a communication system, to provide conditions for safe operation and a healthy working environment;</li> <li>b. Ensure that the mine is commissioned, operated, maintained and decommissioned in such a way that workers can perform the work assigned to them without endangering their safety and health or that of other persons;</li> <li>c. Maintain the stability of the ground in areas to which persons have access in the context of their work;</li> <li>d. If relevant, whenever practicable provide two exits from every underground workplace, each connected to separate means of egress to the surface;</li> <li>e. If relevant, ensure adequate ventilation for all underground workings to which access is permitted;</li> <li>f. Ensure a safe system of work and the protection of workers in zones susceptible to particular hazards;</li> </ul>	<p>⊕</p>	<p>SQM has a critical risk assessment procedure for activities carried out in the construction and operation phases. It has a document indicating basic safety standards for high potential risks, which develops prevention and action measures. There is evidence of inspection and maintenance records that demonstrate that machinery and equipment are well-maintained and in safe operating condition, as there is a specific area responsible for scheduling equipment maintenance. The site also has communication systems for workers in the area: radios and a GPS tracking system.</p> <p>SQM has stability studies of the salt deposits. They have two studies with a technical report on slope stability, which concludes they are safe. Also, the risk analysis in Faena Salar de Atacama and the Update of the Closure Plan of FaensaFaena Salar de Atacama indicates a low level of risk and that the stability is in the "stable" category.</p> <p>There are no subway works in the Salar de Atacama operations.</p>

Chapter 3.2—Occupational Health and Safety

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<ul style="list-style-type: none"> <li>g. Prevent, detect and combat accumulations of hazardous gases and dusts, and the start and spread of fires and explosions; and</li> <li>h. Ensure that when there is potential high risk of harm to workers, operations are stopped and workers are evacuated to a safe location.</li> </ul>		<p>For PPE, there is a study for each work area that establishes which PPE is required and has different instructions, programs for use, and programs for verifying PPE. They have specific procedures for each activity, including risk and routine work, and have IPERCs for each task; however, the procedures and IPERCs for each activity do not match the hazards and controls. In the corporate standard for work in confined spaces, it indicates the gas detection limits, and if the established limits are exceeded, the work cannot be performed. Article 103 of the site's internal regulations establishes the right to stop or cease work when there is a health and safety risk.</p> <p>They have a drill program for each area, and a person from the risk management area always participates; this drill is scheduled for the year. They also have a drill results form; the drill topics have been established based on the emergencies identified in their Emergency Response Plan, updated in February 2022. The system does not indicate the corrective measures or findings resulting from the drills.</p> <p>They do not have an evacuation map with emergency label signage.</p>
<p>3.2.3.1. Workers shall be informed of their rights to:</p> <ul style="list-style-type: none"> <li>a. Report accidents, dangerous occurrences and hazards to the employer and to the competent authority;</li> <li>b. Request and obtain, where there is cause for concern on safety and health grounds, inspections and investigations to be conducted by the employer and the competent authority;</li> <li>c. Know and be informed of workplace hazards that may affect their safety or health;</li> <li>d. Obtain information relevant to their safety or health, held by the employer or the competent authority;</li> <li>e. Remove themselves from any location at the mine when circumstances arise that appear, with reasonable justification, to pose a serious danger to their safety or health; and</li> <li>f. Collectively select safety and health representatives.</li> </ul>	<p>L</p>	<p>SQM has an internal occupational health and safety regulation in which the rights, tasks, and obligations of workers are indicated. They also have an ADMINISTRATION PROTOCOL OF THE OBLIGATION TO INFORM (ODI), which indicates employers have an obligation to inform timely and conveniently to all their workers about the following:</p> <ol style="list-style-type: none"> <li>1) The risks involved in their work.</li> <li>2) The preventive measures that are adopted.</li> <li>3) The correct working methods. They also have formed a health and safety committee at work.</li> </ol> <p>"In the field, we observed evidence of diffusion and reception of the ODI of a worker of the MOP H1 Plant, which contains the signatures of the documents received, and in the same document are the activities to be performed by job position and the hazards and controls. Evidence of their procedures and inductions of the tasks and activities related to their job."</p>
<p>3.2.3.2. In all cases a worker attempting to exercise any of the rights referred to in 3.2.3.1 in good faith shall be protected from reprisals of any sort.</p>	<p>L</p>	<p>SQM has an Internal Regulation on Safety and Health at Work. Article 103 indicates that all workers have the power to exercise rights such as reporting incidents or unsafe conditions and requesting risk assessments of the activities they carry out. Additionally, article No. 88 states: "Article 88. All Workers</p>

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	<p>must notify their Direct Supervisor when they are aware of or have witnessed any accident or incident that occurred to a colleague, even in the event that the latter does not consider it to be of importance or he would not have been injured."</p>
<p>3.2.3.3. The operating company shall develop systems to effectively communicate with, and enable input from the workforce on matters relating to occupational health and safety.</p>	<p>L</p> <p>SQM has an ETHICAL SUSTAINABILITY AND HUMAN RIGHTS POLICY in which communication related to occupational health and safety is considered and mentioned. They also have a health and safety committee that represents the security workers. The site has a corporate anonymous complaint procedure. The site does not have a process for suggestions or complaints on H&amp;S-related issues. Article 83 of the internal regulations on order, hygiene, and safety states that all employees must report accidents or incidents to their immediate supervisor or the competent area, and that the company will keep the person's name confidential, unless the law requires the name of the person who reported the incident to be indicated when it involves a different process. They also have a whistleblower channel process through their website, which initiates a selection process of different categories to report anonymously, which is managed by an area of corporate SQM.</p> <p>In addition, SQM interacts with workers through health and safety talks before performing tasks, through an annual health and safety training plan, and conducts safety discussions with its personnel related to safety and prevention dynamics focused on safety, which were shown to some random samples during the audit.</p>
<p>3.2.3.4. The operating company shall develop and implement a formal process involving workers' representatives and company management to ensure effective worker consultation and participation in matters relating to occupational health and safety including:</p> <ul style="list-style-type: none"> <li>a. Health and safety hazard identification and assessment;</li> <li>b. Design and implementation of workplace monitoring and worker health surveillance programs;</li> <li>c. Development of strategies to prevent or mitigate risks to workers through the health and safety risk assessments or workplace and workers' health surveillance; and</li> <li>d. Development of appropriate assistance and programs to support worker health and safety, including worker mental health.</li> </ul>	<p>L</p> <p>SQM has a joint committee that includes both representatives of the company's management and workers. The responsibilities of the members of the joint committee are in accordance with the legal provisions established in Decree No. 54/69, Article 24 ° and among them the following stand out: 1) participation in investigations to determine the causes that produced the accident or illness; 2) permanent participation in scheduled inspections for the different work areas to verify risk conditions and compliance with safety standards; and 3) ensure compliance with the company's processes and health and safety standards with workers.</p> <p>This program is part of the application of the Psychosocial Protocol and seeks to reduce the psychological, family, and social effects that directly or indirectly affect our workers, in</p>

		<p>addition to having a health plan, which is linked to health follow-up with respect to the results of their occupational monitoring and medical examinations.</p>
<p>3.2.3.5. The operating company shall provide workers' health and safety representatives with the opportunity to:</p> <ul style="list-style-type: none"> <li>a. Participate in inspections and investigations conducted by the employer and by the competent authority at the workplace;</li> <li>b. Monitor and investigate safety and health matters;</li> <li>c. Have recourse to advisers and independent experts; and</li> <li>d. Receive timely notice of accidents and dangerous occurrences.</li> </ul>	<p>L</p>	<p>SQM has an occupational health and safety committee, which has the responsibility of carrying out inspections and is informed of health and safety incidents and actions carried out through monthly meetings. Inspections are carried out by the joint committee (Comite Paritario) in which findings and corrective actions are identified; the follow-up of compliance with the actions is carried out by the committee itself.</p> <p>SQM has an accident reporting system that starts with the investigation of the root cause and continues with an action plan, photographic record, and lessons learned to prevent recurrence. This system is developed by H&amp;S specialists linked to SQM, with help from external advice for improvement opportunities related to SQM's occupational health and safety system. SQM is currently certified in ISO 45001.</p>
<p>3.2.3.6. Visitors and other third parties accessing the mining premises shall receive an occupational health and safety briefing, and be provided with relevant protective equipment for areas of the mine site that or associated facilities that they will be entering.</p>	<p>L</p>	<p>SQM has a project entry register that establishes the conditions and requirements for the accreditation of workers, visitors, and suppliers; this register is provided through an initial talk by SQM for the different types of visitors and suppliers. As well, SQM has a new format for handing out PPE and ensuring induction talks to visitors, which is called "Reglamento Control de Ingresos Personas Salar de Atacama".</p>
<p>3.2.4.1. <b>Critical (a and b)</b> The operating company shall implement measures to protect the safety and health of workers including:</p> <ul style="list-style-type: none"> <li>a. Informing workers, in a comprehensible manner, of the hazards associated with their work, the health risks involved and relevant preventive and protective measures;</li> <li>b. Providing and maintaining, at no cost to workers, suitable protective equipment and clothing where exposure to adverse conditions or adequate protection against risk of accident or injury to health cannot be ensured by other means;</li> <li>c. Providing workers who have suffered from an injury or illness at the workplace with first aid, and, if necessary, prompt transportation from the workplace and access to appropriate medical facilities;</li> <li>d. Providing, at no cost to workers, training/education and retraining programs and comprehensible instructions on safety and health matters as well as on the work assigned;</li> <li>e. Providing adequate supervision and control on each shift; and</li> </ul>	<p>●</p>	<p>SQM complies with items a, b, c, and d. Is detailed below:</p> <ul style="list-style-type: none"> <li>a. SQM has an occupational health and safety policy and a procedure for identifying hazards and risks. Both documents are shared with workers so that they can identify the risks and hazards associated with their work, as well as mitigation actions for each work area. SQM also has a labor insurance policy to respond to workers' health emergencies.</li> <li>b. SQM has a risk analysis for on-site activities. Based on the results of this analysis, the type of personal protective equipment (PPE) required by each worker is determined, and the delivery of these PPEs is recorded on a PPE delivery form that SQM has.</li> <li>c. SQM has an emergency response team including transfer vehicles and a medical area to attend to preliminary injuries. Depending on the medical evaluation, it is determined that the worker will be transferred to the</li> </ul>

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<p>f. If relevant, establishing a system to identify and track at any time the probable locations of all persons who are underground.</p>		<p>nearest health center, since SQM has identified the nearest health centers in case more specialized medical attention is required. SQM also showed evidence of its actions and procedures in the event of an occupational injury or accident. They also carry out occupational health surveillance in accordance with Chilean law to follow up on workers' health.</p> <p>d. SQM has an internal training program for the safety and health area on the ZYGHT platform, including workshops on safe behavior and leadership, which is ongoing and has three other topics planned for the year: communication, process safety, and ISO 45001. This has been carried out for 2 months by the company La Murete. A training session was held on May 25, 2022 and 141 people have already attended. In addition, there is mandatory training on the company's website for each former employee and as a new hire.</p> <p>e. Based on this point, SQM does not comply, since during the on-site tours of the operating areas several inconsistencies were found in the levels of implementation of Health and Safety tools such as: inspections, work permits, hazard identification and supervision verification. Some examples are coordination of equipment maintenance, observations made by workers are not reported by supervisors, there is no adequate quality control of the report of observations made by workers and that it is coordinated by supervisors and the maintenance area, delivery of equipment and tools after maintenance without the signatures of the corresponding personnel, and safety observations related to the handling of chemicals and electrical safety.</p> <p>f. Not applicable, since SQM has no underground activities.</p>
<p>3.2.4.2. If the risk assessment process reveals unique occupational health and safety risks for certain groups of workers (e.g., pregnant women, children, HIV-positive, etc.) the operating company shall ensure that additional protective measures are taken, and trainings and health promotion programs are available to support the health and safety of those workers.</p>		<p>SQM has a risk assessment for construction and operations. However, a detailed risk assessment is not observed that identifies vulnerable workers or those who could be susceptible to certain hazards.</p>
<p>3.2.4.3. The operating company shall provide workers with clean toilets, washing and locker facilities (commensurate with the number and gender of staff employed), potable drinking water, and where applicable, sanitary facilities for food storage and preparation. Any accommodations provided by the operating company shall be clean, safe, and meet the basic needs of the workers.</p>		<p>During the field visit, the site had a camp with clean dormitories and dining areas. There are men's and women's restrooms at the site, which are clean and in good condition, as are the showers. Lockers were also observed for workers to store their belongings during the workday. However, it was noted that there were fewer bathrooms and showers for</p>

		<p>women, but it was noted that projects are underway to expand the bathrooms and showers for women, such as in the mine's workshop area.</p>
<p>3.2.4.4. The operating company shall ensure that workers are provided with compensation for work-related injuries and illnesses as follows:</p> <ul style="list-style-type: none"> <li>a. In countries where workers' compensation is not provided through government schemes or a collective bargaining agreement:             <ul style="list-style-type: none"> <li>i. The operating company shall compensate workers for work-related injuries or illnesses at a rate that, at minimum, covers medical expenses and wages during the recovery and rehabilitation period;</li> <li>ii. If a worker is not able to return to work due to the severity of the work-related injury or illness, the operating company shall compensate for lost earnings until the worker qualifies for an adequate pension (i.e., 2/3 or more of the Salary they would otherwise normally receive if healthy and working); or</li> <li>iii. [flag] If an occupational illness manifests after a worker has retired, the operating company or its corporate owner shall, at minimum, compensate the worker for medical expenses, unless the operating company or its corporate owner can establish that the occupational illness was not connected to the worker's employment at the mining project.</li> </ul> </li> <li>b. In countries that do not provide for worker rehabilitation as part of their workers' compensation schemes, the operating company shall ensure that workers have free or affordable access to rehabilitation programs to facilitate an expeditious return to work; and</li> <li>c. Where a worker dies as a result of a work-related injury or disease, the operating company shall, at minimum, provide to spouses and dependent children benefits to cover funeral expenses and transportation of the worker's body, if appropriate, as well as compensation that is equal to or greater than three months' Salary of the deceased worker.</li> </ul>	<p>L</p>	<p>SQM has legal insurance in Chile that establishes Social Security Regulations for Occupational Accidents and Occupational Diseases, where compensation related to occupational accidents and diseases is controlled and supervised. In relation to medical expenses for injuries or occupational diseases and Salaries (wages) during the recovery or rehabilitation period, they are fully covered by the social insurance for work accidents and occupational diseases. Also, by law, they have mandatory insurance for COVID-19 based on law 21342.</p> <p>In addition, SQM provides complementary insurance, which is called Benefit for Death or total and permanent disability of the worker. It is focused on 12 salaries (wages) for natural death and 24 salaries (wages) for occupational death. It also has catastrophic insurance for people who have an indefinite contract and is extensive for the spouse and children. They also have a complementary health insurance that covers a percentage of the expenses incurred by the workers, apart from the health insurance they have by local legislation.</p>
<p>3.2.5.1. The operating company and workers' representatives on a joint health and safety committee, or its equivalent, shall perform regular inspections of the working environment to identify the various hazards to which the workers may be exposed, and to evaluate the effectiveness of occupational health and safety controls and protective measures.</p>	<p>L</p>	<p>SQM, in the minutes of meeting N°34 of August 18, 2021, in point 2, indicates that the joint committee ended its management in 2020 due to COVID. The management of the new committee was extended until March 2022. In addition, SQM established a new joint health and safety committee, whose term of office is from May 2022 to May 2024. They also have an inspection program that was implemented during 2021 and had a schedule for 2022.</p>
<p>3.2.5.2. The operating company shall carry out workplace monitoring and worker health surveillance to measure exposures and evaluate the effectiveness of controls as follows:</p>	<p>⊕</p>	<p>SQM has a control for the chemical, physical and psychosocial factors of its workers, as well as a health surveillance program. Both studies are carried out by the Chilean authority</p>

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<ul style="list-style-type: none"> <li>a. Workplace monitoring and worker health surveillance shall be designed and conducted by certified industrial hygienists or other competent professionals;</li> <li>b. Health surveillance shall be carried out in a manner that protects the right to confidentiality of medical information, and is not used in a manner prejudicial to workers' interests;</li> <li>c. Samples collected for workplace monitoring and health surveillance purposes shall be analyzed in an ISO/IEC 17025 certified or nationally accredited laboratory;</li> <li>d. Sample results shall be compared against national occupational exposure limits (OELs) and/or biological exposure indices (BEIs), if they exist, or OELs/BEIs developed by the American Conference of Governmental Industrial Hygienists (ACGIH); and</li> <li>e. If an OEL/BEI is exceeded, the affected worker(s) shall be informed immediately, and controls shall be reviewed and revised in a timely manner to ensure that future exposure levels remain within safe limits.</li> </ul>		<p>through ACHS (Asociación Chilena de Seguridad), as well as follow-up medical examinations for occupational diseases. Entry medical examinations are scheduled by the human resources area. Currently, no general health examinations are taken, but SQM plans to start healthy living programs by 2023, since they do not currently have any health programs.</p>
<p>3.2.5.3. Controls, protective measures, health risk assessments, risk management plans, and training and educational materials shall be updated as necessary based on inspection and monitoring results.</p>		<p>SQM has an annual labor monitoring of personnel and safety programs such as critical risk assessment. ACHS performs a verification evaluation and occupational hygiene control, which is done on an annual basis after they perform occupational monitoring. In the ZYGTH system, you can establish the findings of inspections and action plans to obtain statistical data on trends by areas of findings reported. Then you can have weekly executive committee meetings. However, there is no evidence of the execution of plans or programs based on the evaluation of monthly or annual performance statistics.</p>
<p>3.2.5.4. The operating company shall ensure that all workplace injuries, fatalities, accidents and dangerous occurrences, as defined by national laws or regulations, are documented, reported to the competent authority, investigated and that appropriate remedial action is taken.</p>	<p>L</p>	<p>SQM has an incident and accident investigation procedure, as well as a record of incidents and investigation of each for the years 2018, 2019, 2020, 2021, and 2022. In the 2021 and 2022 records, variables of lost time, the potential for harm, and severity of the event are considered.</p> <p>They also have an incident and accident investigation process. The process of notifying the local authority is performed according to the classification of the serious or fatal accident. Notification to the authority is made by telephone to four entities: Sernageomin, Dirección del Trabajo, Servicio de Salud and ASCH.</p> <p>Since 2017 they have not had any accidents requiring notification to the authority.</p>
<p>3.2.6.1. The operating company shall maintain accurate records of health and safety risk assessments; workplace monitoring and workers' health surveillance results; and data related to occupational injuries, diseases, accidents, fatalities and dangerous occurrences collected by the</p>	<p>L</p>	<p>SQM has a procedure for investigating incidents and accidents and for recording incidents, and the investigation of each one for the years 2018, 2019, 2020, 2021 and 2022. SQM has statistics for the year 2021 and 2022. The actions resulting from the investigation of</p>



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<p>company and submitted to competent authorities. This information, except for data protected for medical confidentiality reasons, shall be available to workers' health and safety representatives.</p>	<p>accidents and incidents are entered into the ZYGTH system and are assigned a responsible person and a deadline to complete the corrective action. The system keeps a red color if the corrective action is overdue and has not been notified, or green if it has been completed. If the deadline is not met, an alert is sent to the responsible worker, the boss, and the risk area.</p> <p>Statistics for previous years up to 2022 are maintained in SQM's management system. These records are available to SQM's health and safety area, to keep track and traceability of the statistics and the corrective action process.</p>
<p>3.2.6.2. The operating company shall establish a data management system that enables worker health data to be readily located and retrieved, and data protected by medical confidentiality to be securely stored. Data shall be retained for a minimum of 30 years, and responsible custodians shall be assigned to oversee the health data management system.</p>	<p>Medical records are kept by ACHS for periodic occupational disease examinations and exit examinations. SQM, through the human resources area, keeps records of the results of the medical examination of employees. However, SQM does not perform general monitoring examinations of its workers; it is limited to the occupational hygiene examinations performed by the Chilean national authority (ACHS).</p>
<p>3.2.6.3. The operating company shall allow workers access to their personal information regarding accidents, dangerous occurrences, inspections, investigations and remedial actions, health surveillance and medical examinations.</p>	<p>SQM has internal occupational health and safety regulations that establish requests for information from workers on matters related to their rights, obligations, and working conditions. In addition, requests, complaints, or suggestions of a general or personal nature will be answered, either verbally or written, within a certain period of time depending on the request for information.</p>

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<p>3.3.1.1. <b>Critical</b> The operating company shall carry out a scoping exercise to identify significant potential risks and impacts to community health and safety from mining-related activities. At minimum, the following sources of potential risks and impacts to community health and/or safety shall be considered:</p> <ol style="list-style-type: none"> <li>General mining operations;</li> <li>Operation of mine-related equipment or vehicles on public roads;</li> <li>Operational accidents;</li> <li>Failure of structural elements such as tailings dams, impoundments, waste rock dumps (see also IRMA Chapter 4.1);</li> <li>Mining-related impacts on priority ecosystem services (see also IRMA Chapter 4.6);</li> </ol>	<p>SQM has environmental licenses that have considered the impacts generated by the project on the community and the management measures to mitigate the impacts. In addition, SQM hired IdeAmbiente to carry out a survey of information on the risks of the operation to the community and the natural environmental risks that may affect the community. Based on this document, SQM updated their Emergency Response Plan (2022) and shared it with stakeholders.</p> <p>Based on the studies carried out for the environmental license and by Ideambiente, it was indicated that there are no risks to the communities from SQM's operations, since SQM has a map of the communities, which are</p>
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<ul style="list-style-type: none"> <li>f. Mining-related effects on community demographics, including in-migration of mine workers and others;</li> <li>g. Mining-related impacts on availability of services;</li> <li>h. Hazardous materials and substances that may be released as a result of mining-related activities (see also IRMA Chapter 4.1); and</li> <li>i. Increased prevalence of water-borne, water-based, water-related, and vector-borne diseases, and communicable and sexually transmitted diseases (e.g., HIV/AIDS, tuberculosis, malaria, Ebola virus disease) that could occur as a result of the mining project.</li> </ul>	<p>located at a great distance from the operations. <b>In addition, SQM indicates</b> that the transportation of substances to and from the mine site is along route B-385, in the opposite direction to the location of the community's towns. The chemical substances do not pass through the area of the communities located in SQM's area of influence.</p> <p>With respect to health risks from contagious and sexually transmitted diseases (e.g., HIV/AIDS, tuberculosis, malaria, Ebola virus), these diseases have a minimal rate of presence in the country of Chile.</p>
<p>3.3.1.2. Scoping shall include an examination of risks and impacts that may occur throughout the mine lifecycle (e.g., construction, operation, reclamation, mine closure and post-closure).</p>	<p>SQM has environmental licenses in which the impacts generated by the project on the community and management measures to mitigate the impacts have been considered. It also has a risk analysis at the Salar de Atacama site, which includes the response to emergencies by municipalities and communities.</p> <p><b>L</b> The studies for obtaining SQM's environmental license include an analysis of the impacts and risks associated with different stages of the project, such as construction, operation, and closure, with mitigation measures for each impact or risk identified. In addition, the risk analysis of the operation includes the prevention and mitigation of risks associated with operations for workers and emergency response support for municipalities.</p>
<p>3.3.1.3. Scoping shall include consideration of the differential impacts of mining activities on vulnerable groups or susceptible members of affected communities.</p>	<p>SQM has environmental licenses in which the impacts generated by the project in the most communities and ecosystems and management measures to mitigate the impacts have been considered. It also has a risk analysis of the Salar de Atacama site, which shows the responses to emergencies by municipalities and communities.</p> <p><b>●</b> Based on the studies carried out for the environmental license and by Ideambiente, it was indicated that there are no risks to the communities from SQM's operations, since SQM has a map of the communities, which are located at a great distance from the operations. In addition, SQM indicates that the transportation of substances to and from the mine site is along route B-385, in the opposite direction to the location of the communities. The chemical substances do not pass through the area of the communities located in SQM's area of influence.</p>
<p>3.3.2.1. The operating company shall carry out an assessment of risks and impacts to:</p>	<p><b>●</b> SQM has environmental licenses in which the impacts on the health and safety of the</p>

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- a. Predict the nature, magnitude, extent and duration of the potential risks and impacts identified during scoping;
- b. Evaluate the significance of each impact, to determine whether it is acceptable, requires mitigation, or is unacceptable.

community were evaluated and mitigation measures for each impact are considered. In addition, SQM contracted IdeAmbiente to carry out an information survey of the risks of the operation to the community and the natural environmental risks that may affect the community. Based on this document, SQM updated their emergency response plan and shared it with interested parties.

An evaluation of impacts to the social environment was carried out in the environmental licenses, by means of the Environmental Impact Assessment (EIA) "Changes and Improvements to the Mining Operation in the Salar de Atacama of 2005 (approved by RCA 226/2006), which approves the current operation in the Salar de Atacama, which indicates the non-existence of significant impacts on the social and cultural system (life systems and customs). The study analyzes the possible social impacts (resettlement of communities, communication and transportation flows, population structure, anthropological dimension, socioeconomic dimension, social welfare, etc.).

The conclusion of the impact sections is that there are no significant impacts on the social environment; therefore, the project does not require an EIA for this concept and consequently does not require mitigation and compensation measures in this area. It should be noted that this project (EIA) had citizen participation, receiving comments from Peine (Neighborhood Board and Atacameño Community), Socaire (Atacameño Community) and Toconao (Atacameño Community), as evidenced in Consideration No. 3 of the environmental Qualification Resolution). However, the identification of community impacts does not strictly contemplate the concepts requested by IRMA on the nature, magnitude, extent, and duration of potential risks and impacts.

- 3.3.3.1. The operating company shall document and implement a community health and safety risk management plan that includes:
- a. Actions to be taken to mitigate the significant risks and impacts identified during its risk and impact assessment; and
  - b. Monitoring that will be conducted to ensure that measures to prevent or mitigate impacts remain effective.

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SQM has environmental licenses that have considered the impacts generated by the project on the community. Through this assessment it was determined that there are no impacts to the communities and therefore no mitigation activities have been established. In addition, as part of its operations management, SQM hired the company IdeAmbiente to carry out a survey of information on the risks of the operation for the community and the natural environmental risks that may affect the community. Based on this document, SQM updated the emergency response plan and shared it with stakeholders.

		<p>As part of SQM's operational efforts it has been executing internal drills with respect to its emergency response plan. It also has an Annual Drill Plan for the year 2023, in addition to conducting training to its internal personnel on its activities.</p> <p>Regarding the communities, no community impacts have been identified with respect to SQM's activities; however, as part of the management of SQM's community relations, SQM's community relations team has been in contact with the communities to train them in identifying the risks they may encounter in their communities. However, as they do not have a person in charge in the municipality, they cannot carry out these trainings, as this coordination must be done through the municipality.</p>
<p>3.3.3.2. Mitigation measures shall prioritize the avoidance of risks and impacts over minimization and compensation.</p>	<p>⊕</p>	<p>SQM has impact assessments through its environmental licenses, as well as mitigation measures for each impact. They also have an emergency plan that considers the community. The Salar de Atacama site risk analysis study identifies potential risks associated with activities at the site and provides information to internal and external stakeholders. However, they do not have a procedural document that explains the process to identify effective controls to mitigate the risks and impacts on the health and safety of the community, which must include a method to quantify effectiveness of the control.</p>
<p>3.3.3.3. The community health and safety risk management plan shall be updated, as necessary, based on the results of risk and impact monitoring.</p>	<p>⊕</p>	<p>SQM has management plans for the impacts identified in its environmental licenses and the risk analysis at the Salar de Atacama site. SQM has an updated emergency response plan from February 2022, where IdeAmbiente conducted a survey of information on risks of the operation to the community and environmental risks that may affect the community. Based on this document, SQM updated the emergency response plan and shared it with stakeholders. SQM shared the document of conclusions and recommendations that affect the community due to natural emergencies, so that they can develop their own emergency response plans. However, this is not centralized in a community health and safety risk management plan implemented by SQM, nor is there any follow-up and verification of the measures that may be implemented and their effectiveness.</p>
<p>3.3.4.1. If the operating company's risk and impact assessment or other information indicates that there is a significant risk of community exposure to</p>	<p>—</p>	<p>No significant risk of workers and community exposure to HIV/AIDS, tuberculosis, malaria, or another emerging infection disease that is in</p>

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<p>HIV/AIDS, tuberculosis, malaria or another emerging infectious disease related to mining activities, the operating company shall develop, adopt and implement policies, business practices, and targeted initiatives:</p> <ol style="list-style-type: none"> <li>a. In partnership with public health agencies, workers' organizations and other relevant stakeholders, create and fund initiatives to educate affected and vulnerable communities about these infections and modes of prevention of them, commensurate with the risks posed by mining;</li> <li>b. Operate in an open and transparent manner and be willing to share best practice for the prevention and treatment of these diseases with workers' organizations (e.g., trade unions), other companies, civil society organizations and policymakers; and</li> <li>c. Make information publicly available on its infectious disease mitigation program.</li> </ol>	<p>some way related to the presence of the mining project.</p>
<p>3.3.4.2. If the assessment demonstrates a significant risk of community exposure to HIV/AIDS, tuberculosis or malaria from mining-related activities, the following prevention and mitigation strategies shall be applied, as appropriate:</p> <ol style="list-style-type: none"> <li>a. In relation to HIV/AIDS, the operating company shall, at minimum:             <ol style="list-style-type: none"> <li>i. Provide free, voluntary and confidential HIV testing and counseling for all mine workers and employees;</li> <li>ii. Provide HIV/AIDS treatment for workers and employees where it cannot reasonably be assumed that this will be provided in an effective manner by public or private insurance schemes at an affordable rate;</li> <li>iii. Provide access for contractors to education and other preventative programs, and to work with the operating company's or facility's contracting companies or others to identify ways for contract workers to access affordable treatment; and</li> <li>iv. Work with public health authorities, communities, workers' organizations and other stakeholders towards ensuring universal access to treatment for dependents of mine workers/employees and affected community members.</li> </ol> </li> <li>b. In relation to tuberculosis, the operating company shall, at minimum, provide free and voluntary testing for mine workers/employees where it is not reasonably likely to be provided by public or private health programs at an affordable rate.</li> <li>c. In relation to malaria, the operating company shall, at minimum:             <ol style="list-style-type: none"> <li>i. Develop a vector control plan;</li> <li>ii. Ensure that company facilities are not breeding environments for malaria-carrying mosquitoes; and</li> </ol> </li> </ol>	<p>— No significant risk of workers and community exposure to HIV/AIDS, tuberculosis, malaria, or another emerging infection disease that is in some way related to the presence of the mining project.</p>

Chapter 3.3—Community Health and Safety

Basis for Rating

<p>iii. Provide protection from infection by malaria-carrying mosquitoes in company facilities and any company-provided housing.</p>		
<p>3.3.5.1. The operating company shall collaborate with relevant community members and stakeholders, including workers who live in affected communities and individuals or representatives of vulnerable groups, in:</p> <ul style="list-style-type: none"> <li>a. Scoping of community health and safety risks and impacts related to mining;</li> <li>b. Assessment of significant community health and safety risks and impacts related to mining;</li> <li>c. Development of prevention or mitigation strategies;</li> <li>d. Collection of any data needed to inform the health risk and impact assessment process; and</li> <li>e. Design and implementation of community health and safety monitoring programs.</li> </ul>	<p style="text-align: center;">⊕</p>	<p>SQM has an updated emergency response plan from February 2022, where IdeAmbiente conducted a survey of information on the risks of the operation to the community and the environmental risks that may affect the community. Based on this document, SQM updated the emergency response plan and shared it with stakeholders; it should be noted that SQM's risks were not identified as affecting the communities. SQM shared the document of conclusions and recommendations that affect the community due to natural emergencies, so that stakeholders can develop emergency response plans.</p> <p>There is no evidence of training or programming. It was indicated that the joint safety committee schedules activities and coordinates with the community so the prevention area can give talks. Still, there was no evidence to confirm this information. There were images of a Zoom meeting of SQM's occupational physician with the communities to explain the guidelines so they can carry out their COVID-19 Prevention Plan, which in Chile is called the "Step by Step Plan."</p> <p>SQM itself has not designed, developed, or implemented a community health and safety surveillance program since it was reported that all actions with the communities are carried out through the community committee, which is made up of the municipality (the committee's president comes from here), the communities, neighboring companies, and stakeholders. However, this committee has not been functioning for some years.</p>
<p>3.3.6.1. The operating company shall make information on community health and safety risks and impacts and monitoring results publicly available.</p>	<p style="text-align: center;">L</p>	<p>SQM communicated during the end of 2020 and the first quarter of 2021 with the communities surrounding the project, informing them of the annual sustainability report 2020, as well as conducting virtual Zoom meetings with some representatives of the communities.</p> <p>SQM provided the updated 2022 Emergency Plan, so that communities could submit comments or observations to the emergency response plan in April 2022. The Peine community was provided with a physical copy of the document, as were the communities of Camar and Socaire. In the community of Toconao, a presentation of the emergency response plan was given to the community board, and in the community of Talabre,</p>

### Chapter 3.3—Community Health and Safety

#### Basis for Rating

training was provided to the community assembly.

### Chapter 3.4—Mining and Conflict-Affected or High-Risk Areas

#### Basis for Rating

Chapter not assessed

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IRMA is not scoring this chapter in 2022, just collecting information to help inform future guidance on chapter implementation.

### Chapter 3.5—Security Arrangements

#### Basis for Rating

3.5.1.1. The operating company shall adopt and make public a policy acknowledging a commitment to respect human rights in its efforts to maintain the safety and security of its mining project; and a commitment that it will not provide support to public or private security forces that have been credibly implicated in the infringement of human rights, breaches of international humanitarian law or the excessive use of force.

SQM has a sustainability, ethics and human rights policy in place, which has been implemented and is effective as of April 2021. In addition, it has a responsible sourcing policy by SQM since 2022.

The company ISS, which is the contractor responsible for providing physical security services to SQM, has been providing these services for 3 years and does not have a responsible sourcing policy; however, it does have an internal occupational health and safety regulation in Title XXVII, Investigation, Safeguard Measures, and Sanctions for Violations of Rights.

They also have a code of conduct updated to 2016. This code establishes actions and obligations based on human rights.

ISS has carried out a safety exercise to identify the leadership of workers at the SQM site on issues related to IRMA. In this exercise it has made a record that chronicles all the activities. They also disseminated the IRMA standard and conducted related training on the IRMA standard among ISS personnel located at the SQM site. They have also created a human rights procedure, and an IRMA protocol for industrial safety SQM Salar de Atacama. However, the policy does not specify a commitment that it will not provide support to public or private security forces that have been credibly implicated in human rights violations, breaches of international humanitarian law, or excessive use of force.

3.5.1.2. **Critical** The operating company shall have a policy and procedures in place regarding the use of force and firearms that align with the best practices expressed in UN Basic Principles on the Use of Force and Firearms. At minimum, the company's procedures shall require that:

- a. Security personnel take all reasonable steps to exercise restraint and utilize non-violent means before resorting to the use of force;

SQM has corporate standards, the ISS Global Personnel Standards, which state firearms training will be provided to personnel and will include personal and police background checks. It also has codes of conduct for staff and suppliers. The company ISS, which provides physical security services to SQM, does not use firearms, since in Chile only people with security guard accreditation can

## Chapter 3.5—Security Arrangements

## Basis for Rating

		<p>b. If force is used it shall not exceed what is strictly necessary, and shall be proportionate to the threat and appropriate to the situation; and</p> <p>c. Firearms shall only be used for the purpose of self-defense or the defense of others if there is an imminent threat of death or serious injury.</p> <p>use firearms. The service contracted by SQM is only of the security guard category and therefore cannot and are not authorized to use firearms. To be classified as a security guard, they must be approved by Zosepcar - Zona de Seguridad Privada, Control de Armas y Explosivos (Carabineros de Chile).</p> <p>It should be noted that ISS has created a procedure called "Human Rights on the IRMA Protocol for SQM Salar de Atacama Industrial Security." However, no policy has been established regarding the use of force that conforms to the best practices expressed in the United Nations Basic Principles on the Use of Force and Firearms.</p>
<p>3.5.1.3. If private security is used in relation to the mining project, the operating company shall have a signed contract with private security providers that at minimum:</p> <p>a. Sets out agreed on principles that are consistent with the Voluntary Principles on Security and Human Rights and the operating company's procedures on the use of force and firearms;</p> <p>b. Delineates respective duties and obligations with respect to the provision of security in and around the mining project and, if relevant, along transport routes; and</p> <p>c. Outlines required training for security personnel.</p>	<p>L</p>	<p>SQM maintains a private security service contract with a company specializing in Providing Human and Technological Resources for the Security of Facilities and People ISS Chile S.A. Annex B of the contract indicates the SQM Code of Ethics that ISS must comply with. The SQM Code of Ethics indicates the human rights and actions for the most vulnerable people, which must be fulfilled by ISS.</p> <p>The aforementioned Annex B establishes SQM's code of ethics that must be complied with by the companies that work with them; in this case ISS. This code of ethics establishes actions related to human rights and the use of force, in addition to the fact that ISS has a procedure on human rights and an analysis of actions in the event of events with third parties. In addition, ISS does not use firearms. Based on the above, SQM and ISS have established operating procedures on the use of force, as well as clear job descriptions, actions, and obligations with respect to the provision of security at the project, and the security company provides annual training to its personnel.</p>
<p>3.5.1.4. If public security forces are used to provide security to the mining project and/or transport routes, the operating company shall make a good faith effort to sign a Memorandum of Understanding (MoU) or similar agreement with public security providers that includes similar provisions to those in 3.5.1.3.</p>	<p>—</p>	<p>SQM does not contract surveillance or public security services to safeguard its projects. In the Chilean Legislation, private companies are empowered to have private security.</p>
<p>3.5.2.1. The operating company shall assess security risks and potential human rights impacts that may arise from security arrangements. Assessments of security-related risks and impacts shall be updated periodically, including, at minimum, when there are significant changes in mining-related activities, security arrangements, or in the operating environment.</p>	<p>⊕</p>	<p>ISS has a human rights procedure in the SQM Salar de Atacama Industrial Safety IRMA protocol that was created and approved in June 2022. In this document, a risk assessment of ISS activities is performed and establishes the hazards and actions to be taken in situations that jeopardize the human</p>

## Chapter 3.5—Security Arrangements

## Basis for Rating

		rights of them and the people present in the project.
3.5.2.2.	Assessments, which may be scaled to the size of the company and severity of security risks and potential human rights impacts, shall: <ul style="list-style-type: none"> <li>a. Follow a credible process/methodology;</li> <li>b. Be carried out and documented by competent professionals; and</li> <li>c. Draw on credible information obtained from a range of perspectives, including men, women, children (or their representatives) and other vulnerable groups, relevant stakeholders and expert advice.</li> </ul>	 <p>ISS has a human rights procedure in the SQM Salar de Atacama Industrial Safety IRMA protocol that was created and approved in June 2022. In this document, a risk assessment of ISS activities is performed and establishes the hazards and actions to be taken in situations that jeopardize the human rights of them and the people present. However, the procedure has not sought the perspectives of men, women, children (or their representatives), and other vulnerable groups, relevant stakeholders, and expert advice.</p>
3.5.2.3.	The scope of the security risk assessment shall include, but need not be limited to: <ul style="list-style-type: none"> <li>a. Identification of security risks to the company, workers and communities, paying particular attention to risks to women, children and other vulnerable groups;</li> <li>b. Analysis of the political and security context in the host country context (e.g., the human rights records of the government and public and private security forces; adherence to the rule of law; corruption);</li> <li>c. Analysis of current and potential conflicts or violence in the host country and affected communities; and</li> <li>d. Risks associated with equipment transfers.</li> </ul>	 <p>ISS has a human rights procedure in the SQM Salar de Atacama Industrial Safety IRMA protocol that was created and approved in June 2022. In this document, a risk assessment of ISS activities is performed. It establishes the hazards and actions to be taken in situations that jeopardize the human rights of them and the people present. However, the scope of the security risk assessment does not specifically include risks to women, children, and other vulnerable groups. Nor is an analysis of the political and security context in the country considered.</p>
3.5.2.4.	The operating company shall develop and implement a risk management plan that includes actions to be taken to prevent or mitigate identified risks, and monitoring that will be conducted to ensure that mitigation measures are effective.	 <p>ISS has a human rights procedure in the SQM Salar de Atacama Industrial Safety IRMA protocol that was created and approved in June 2022. In this document, a risk assessment of ISS activities is performed. It establishes the hazards and actions to be taken in situations that jeopardize the human rights of them and the people present.</p>
3.5.2.5.	If the security risk assessment reveals the potential for conflicts between mine security providers and affected community members or workers, then the operating company shall collaborate with communities and/or workers to develop mitigation strategies that are culturally appropriate and that take into consideration the needs of women, children and other vulnerable groups. If specific risks to human rights are identified in the assessment, the mitigation strategies shall conform with requirements in IRMA Chapter 1.3.	 <p>According to Chilean law, SQM is not recognized as a strategic company, so it is not authorized to maintain the services of private security guards, who are the only ones authorized to use and carry weapons according to Decree Law 3,607 of the Ministry of the Interior. However, it does have security guard personnel, in accordance with Decree Law 867 of the Ministry of the Interior and Public Security. Recently in May and June, they conducted training on human rights and shared documents with workers that included a risk analysis for their activities, including conflict management. However, it is not specific for women, children, and vulnerable people.</p>
3.5.3.1.	The operating company shall develop and implement due diligence procedures to prevent the hiring of company security personnel and private security providers who have been convicted of or	 <p>SQM has a procedure for hiring companies in accordance with Decree Law 867 of the Ministry of the Interior and Private Security as</p>



## Chapter 3.5—Security Arrangements

## Basis for Rating

<p>credibly implicated in the infringement of human rights, breaches of international humanitarian law or the use of excessive force.</p>		<p>a requirement to operate as a security company or work with security guards.</p> <p>ISS requests personnel to submit an affidavit according to the requirements of Law 867 and also requests the security guard certificate from the personnel to be hired, which must comply with Law 867 in order to obtain the security guard certificate from the Chilean authority. Without this certificate, the person is not hired. ISS also performs psychological evaluations of personnel before hiring.</p> <p>A background certificate is requested for special purposes, and they are required to leave if they or their family have a history of complaints. If they present any kind of negative background, they are not hired.</p>
<p>3.5.3.2. The operating company shall make a good faith effort to determine if public security personnel providing security to the mine have been convicted of or credibly implicated in the infringement of human rights, breaches of international humanitarian law or the use of excessive force.</p>	<p>L</p>	<p>SQM does not hire public security services (Chilean Police/Carabineros) to protect its projects, as under Chilean law, private companies are authorized to hire private security services. Under Chilean law, a private company may only resort to the public security forces (Carabineros and Chilean police) in the event of incidents of illegal fraud within its facilities. It should be noted that the police forces (Carabineros de Chile) have their own human rights protocols linked to Chilean law and regulations.</p> <p>Therefore, SQM has private physical security services provided by the company ISS. The security personnel are located at the accesses to the project, under the operational guidelines presented by OS-10 of the Carabineros de Chile (OS-10 authorization is a mandatory requirement for private security companies to provide services). In addition, SQM verifies that the security company's personnel (ISS) do not have a police record or any type of criminal record.</p>
<p>3.5.4.1. Prior to deployment of company or private security personnel, the operating company shall provide training that incorporates, at minimum, information related to ethical conduct and respect for the human rights of mine workers and affected communities, with particular reference to vulnerable groups, and the company's policy on the appropriate use of force and firearms. Initial training and refresher courses shall be mandatory for all operating company personnel involved in security, and for private security contractors that have not received equivalent training from their employers.</p>	<p>●</p>	<p>SQM indicates in its self-assessment that since 2021 a human rights specialist conducts a course on the use of force for surveillance services. Currently, this course has been conducted for more than 70% of participants working in surveillance at the Salar de Atacama.</p> <p>ISS, in conjunction with SQM, has contracted the company Accion Empresas to provide the human rights and surveillance services course to all security personnel, which began in 2022. Evidence of training for ISS personnel was observed.</p> <p>However, the company does not have a policy on the use of force.</p>
<p>3.5.4.2. If public security forces are to be used, the operating company shall determine if public security</p>	<p>L</p>	<p>SQM does not hire public security services (Chilean Police/Carabineros) to protect its</p>

## Chapter 3.5—Security Arrangements

## Basis for Rating

<p>personnel are provided with training on human rights and the appropriate use of force and firearms. If this training is not occurring, the company shall offer to facilitate training for public security personnel that provide mine-related security.</p>	<p>projects, as under Chilean law, private companies are authorized to hire private security services. Under Chilean law, a private company may only resort to the public security forces (Carabineros and Chilean police) in the event of incidents of illegal fraud within its facilities. It should be noted that the police forces (Carabineros de Chile) have their own human rights protocols linked to Chilean law and regulations.</p> <p>Therefore, SQM has private physical security services provided by the company ISS. The security personnel are located at the accesses to the project, under the operational guidelines presented by OS-10 of the Carabineros de Chile (OS-10 authorization is a mandatory requirement for private security companies to provide services). In addition, SQM verifies that the security company's personnel (ISS) do not have a police record or any type of criminal record.</p>
<p>3.5.5.1. The operating company shall:</p> <ol style="list-style-type: none"> <li>Develop and implement systems for documenting and investigating security incidents, including those involving impacts on human rights or the use of force;</li> <li>Take appropriate actions, including disciplinary measures, to prevent and deter abusive or unlawful acts by security personnel and acts that contravene the company's policies on rules of engagement, the use of force and firearms, human rights, and other relevant policies;</li> <li>Take appropriate actions to mitigate and provide remediation for human rights impacts (as per IRMA Chapter 1.3), injuries or fatalities caused by security providers;</li> <li>Report security incidents, including any credible allegations of human rights abuses by private or public security providers, to the competent authorities and national human rights institutions, and cooperate in any investigations or proceedings;</li> <li>Provide medical assistance to all injured persons, including offenders; and</li> <li>Ensure the safety of victims and those filing security-related allegations.</li> </ol>	<p>ISS has a format for evaluating accidents and incidents, which is communicated to SQM so that it is aware of the problem and can be part of the solution. An event occurred in January 2021, after which the ISS company conducted a report and analysis of causes, executing corrective actions in conjunction with SQM.</p> <p>The internal regulations also state that articles 159 to 167 indicate the sanctions and deadlines for conducting an evaluation of the violation of workers' human rights. SQM also has a whistleblower channel on its website, which you can select by country and by site, as well as telephone numbers so that you can call and make a complaint by telephone. ISS has a policy of ISS complaints, which is provided to all workers who enter as an annex to the contract.</p> <p>However, ISS personnel were unaware of these complaints and denunciations policy. We also spoke with personnel from the community area, and they commented that in the area the internet is very deficient, making it difficult for people from the communities to access the web page to make complaints, claims or suggestions. Currently, complaints, claims and/or denunciations from the community are sent to SQM's community relations area and they oversee the process.</p>
<p>3.5.5.2. In the event of security-related incidents that result in injuries, fatalities or alleged human rights impacts on community members or workers, the company shall provide communities and/or workers with information on the incidents and any investigations that are underway, and shall consult with</p>	<p>According to site representatives, there have been no community-related accidents and therefore this requirement is not applicable.</p> <p>In the case of incidents or accidents related to workers, ISS follows the SQM incident and accident investigation report process, whereby the person involved in the incident,</p>

## Chapter 3.5—Security Arrangements

## Basis for Rating

<p>communities and/or workers to develop strategies to prevent the recurrence of similar incidents.</p>		<p>or anyone related to the event must participate in the accident investigation to identify the causes and take corrective actions.</p> <p>However, although no events involving the communities have occurred, this does not mean that they cannot occur. The site does not have a procedure similar to the process for investigating incidents or accidents involving workers.</p>
<p>3.5.6.1. If requested by a representative community structure, the operating company shall offer a briefing for community stakeholders on the company's procedures on the use of force and firearms.</p>	<p>⊗</p>	<p>There is no information to develop this item.</p>
<p>3.5.6.2. The operating company shall consult regularly with stakeholders, including host governments and affected communities, about the impact of their security arrangements on those communities; and shall report to stakeholders annually on the company's security arrangements and its efforts to manage security in a manner that respects human rights.</p>	<p>⊗</p>	<p>There is no information to develop this item.</p>
<p>3.5.6.3. Stakeholders shall have access to and be informed about a mechanism to raise and seek recourse for concerns or grievances related to mine security.</p>	<p>⊕</p>	<p>Management is done directly through SQM's complaints channel or the community relations area, which centralizes complaints and claims, manages the process, communicates with the areas involved, and forms a link in the solution to the problem. Although the web page is free, the internet connection in the communities surrounding the project is poor.</p> <p>Currently the community relations area receives the complaint by call or mail, uploads it to Salesforce, receives the information, and then shares it with the corresponding problem area, serving as a link for the management and solution.</p> <p>They have not yet made an official communication with the communities regarding the process that is performed for complaints and claims. It is only word of mouth by the people of the communities to learn about this process. This began in May and June of 2022. The phone numbers of the community relations area are connected to the office, but the community finds out by word of mouth.</p> <p>The community relations area is working on having a training program on different topics for the communities, including a specific one on how to properly employ and use the technological resources.</p>
<p>3.5.6.4. If public security forces are providing security for any aspect of the mining project, the operating company shall encourage host governments to permit making security arrangements, such as the</p>	<p>—</p>	<p>SQM does not use public security forces as a surveillance service.</p>

### Chapter 3.5—Security Arrangements

### Basis for Rating

purpose and nature of public security, transparent and accessible to the public, subject to any overriding safety and security concerns.

### Chapter 3.6—Artisanal and Small-Scale Mining

### Basis for Rating

Chapter Not Relevant

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### Chapter 3.7—Cultural Heritage

### Basis for Rating

3.7.1.1.	Screening, assessment and the development and implementation of mitigation measures and procedures related to the management of cultural heritage shall be carried out by competent professionals.	L	According to the Annexes of the Environmental and Social Impact Assessment (ESIA), the methods and results of the diagnostics and assessments of cultural heritage were carried out by competent and experienced professionals in the subject. The complementary studies to the ESIA requested by the representatives of the indigenous communities were also carried out by competent professionals with previous experience in the subject, according to documents presented and interviews carried out with the SQM team and with representatives of the indigenous communities.
3.7.1.2.	Screening, assessment and the development of mitigation measures and procedures related to the management of cultural heritage shall include consultations with relevant stakeholders.	L	According to interviews carried out in June and December 2022 with SQM social and environmental teams and indigenous communities' representatives, SQM has developed screening, assessment, and development of mitigation measures and procedures related to the management of cultural heritage based on consultations with indigenous communities and developed by experienced professionals. In addition, the ESIA presented cultural heritage diagnoses and assessment, including social and cultural aspects. These studies are being improved with participatory consultation of the indigenous communities. According to the SQM team, all results will be shared with the indigenous communities and publicized for participatory monitoring. SQM presented evidence related to cultural heritage studies during the ESIA elaboration, and the company has carried out participatory cultural heritage studies with indigenous communities.
3.7.1.3.	Cultural heritage assessments, management plans and procedures shall be made available upon request to community stakeholders and	●	SQM provided the links to access the Salar projects and studies on the Chilean Ministry of Environment website. According to the documents annexed to the ESIA, the cultural

Chapter 3.7—Cultural Heritage

Basis for Rating

		<p>heritage studies were carried out according to the environmental agency requirements. In addition, SQM has carried out consultations with indigenous communities to develop cultural heritage diagnoses and assessments based on primary data. The updated cultural heritage study will be published after it is approved by the participating indigenous communities, including the agreed measures to control and mitigate cultural heritage impacts.</p>
<p>3.7.2.1. Prior to the development of a new mine, or when there are significant changes to mining-related activities, the operating company shall undertake a screening process to identify risks and potential impacts to replicable, non-replicable and critical cultural heritage from the proposed mining-related activities.</p>	<p>L</p>	<p>The chapter related to cultural heritage in the ESIA presented the baseline of the cultural heritage at the Salar mine area of influence. According to the documents annexed to the ESIA, the cultural heritage studies were carried out following the environmental agency requirements, and included cultural aspects, not just archaeological issues. In addition, SQM is improving this screening and assessment with primary data provided by the indigenous communities, as mentioned by the SQM team and indigenous community representatives.</p>
<p>3.7.2.2. If the screening indicates the potential for replicable, non-replicable or critical cultural heritage to be encountered during mining-related activities, the operating company shall assess the nature and scale of the potential impacts and propose mitigation measures to avoid, minimize, restore or compensate for adverse impacts. Mitigation measures shall be consistent with the requirements below (see criteria 3.7.3, 3.7.4, 3.7.5 and 3.7.6), based on the type of cultural heritage likely to be affected.</p>	<p>●</p>	<p>SQM has updated the cultural screening and assessment considering the consultation and participation of the indigenous communities, as confirmed by indigenous community representatives interviewed in December 2022. In addition, these initial studies have improved the measures to evaluate, prevent, monitor, and mitigate the cultural heritage impacts.</p>
<p>3.7.3.1. When tangible replicable cultural heritage that is not critical is encountered during mining-related activities the operating company shall apply mitigation measures that favor avoidance. Where avoidance is not feasible, the following mitigation hierarchy shall apply:</p> <ol style="list-style-type: none"> <li>a. Minimize adverse impacts and implement restoration measures, in situ, that ensure maintenance of the value and functionality of the cultural heritage, including maintaining or restoring any ecosystem processes needed to support it;</li> <li>b. Where restoration in situ is not possible, restore the functionality of the cultural heritage, in a different location, including the ecosystem processes needed to support it;</li> <li>c. Where restoring the functionality of the cultural heritage in a different location is not feasible, permanently remove historical and archeological artifacts and structures; and</li> <li>d. Where affected communities are using the tangible cultural heritage for long-standing</li> </ol>	<p>—</p>	<p>According to the documents provided by SQM, there is no tangible replicable cultural heritage in areas affected by the mine activities.</p>

Chapter 3.7—Cultural Heritage

Basis for Rating

	cultural purposes compensate for loss of that tangible cultural heritage.		
3.7.3.2.	All mitigation work involving tangible replicable cultural heritage shall be carried out and documented by competent professionals, using internationally recognized practices for the protection of cultural heritage.	—	According to the documents provided by SQM and the interviews with local communities, there is no tangible replicable cultural heritage in areas affected by the mine activities.
3.7.4.1.	The operating company shall not remove any tangible nonreplicable cultural heritage, unless all of the following conditions are met: <ul style="list-style-type: none"> <li>a. The overall benefits of the mining project conclusively outweigh the anticipated cultural heritage loss from removal; and</li> <li>b. Any removal of cultural heritage is conducted using the best available technique.</li> </ul>	—	According to the documents provided by SQM and the interviews with local communities, there is no tangible non-replicable cultural heritage in the areas affected by the mine activities.
3.7.4.2.	All mitigation work involving tangible non-replicable cultural heritage shall be carried out and documented by competent professionals, using internationally recognized practices for the protection of cultural heritage.	—	According to the documents provided by SQM and the interviews with local communities, there are no predicted or actual impacts on tangible non-replicable cultural heritage that need to be mitigated.
3.7.5.1.	Except under exceptional circumstances, the operating company shall not remove, significantly alter, or damage critical cultural heritage. In exceptional circumstances when impacts on critical cultural heritage are unavoidable, the operating company shall: <ul style="list-style-type: none"> <li>a. Retain external experts to assist in the assessment and protection of critical cultural heritage, and use internationally recognized practices for the protection of cultural heritage; and</li> <li>b. Collaborate with affected communities to negotiate measures to protect critical cultural heritage and provide equitable outcomes for affected communities, and document the mutually accepted negotiation process and outcomes. (Note: Where impacts may occur to indigenous peoples' critical cultural heritage, negotiation shall take place through the Free, Prior and Informed Consent process outlined in IRMA Chapter 2.2 unless otherwise specified by the indigenous peoples).</li> </ul>	—	According to the documents provided by SQM and the interviews with the local communities, there are no critical cultural heritage issues encountered or predicted to be affected by the mine.
3.7.5.2.	When a new mine is proposed within a legally protected cultural heritage area, including areas proposed by host governments for such designation, or a legally defined protected area buffer zone, the operating company shall: <ul style="list-style-type: none"> <li>a. Comply with the requirement 3.7.5.1;</li> <li>b. Comply with the protected area's management plan;</li> <li>c. Consult with agencies or bodies responsible for protected area governance and management, local communities and other key stakeholders on the proposed mining project; and</li> </ul>	—	SQM Salar de Atacama is an existing mine.

Chapter 3.7—Cultural Heritage

Basis for Rating

	d. Implement additional programs, as appropriate, to promote and enhance the conservation aims of the protected area.		
3.7.5.3.	IRMA will not certify new mines that are developed in or that adversely affect the following protected areas if those areas were designated to protect cultural values (See also Chapter 4.6). <ul style="list-style-type: none"> <li>· World Heritage Sites, and areas on a State Party's official Tentative List for World Heritage Site Inscription;</li> <li>· International Union for Conservation of Nature (IUCN) protected area management categories I-III;</li> <li>· Core areas of UNESCO biosphere reserves.</li> </ul>	—	SQM Salar de Atacama is an existing mine.
3.7.5.4.	An existing mine located entirely or partially in a protected area listed in 3.7.5.3 shall demonstrate that: <ul style="list-style-type: none"> <li>a. The mine was developed prior to the area's official designation;</li> <li>b. Management plans have been developed and are being implemented to ensure that activities during the remaining mine lifecycle will not permanently and materially damage the integrity of the cultural values for which the area was designated or recognized; and</li> <li>c. The operating company collaborates with relevant management authorities to integrate the mine's management strategies into the protected area's management plan.</li> </ul>	—	SQM Salar de Atacama is an existing mine not located entirely or partially in a protected area.
3.7.5.5.	To safeguard irreplaceable cultural heritage and respect indigenous peoples' right to self-determination, the operating company shall not carry out new exploration or develop new mines in areas where indigenous peoples are known to live in voluntary isolation.	L	According to the ESIA and the fieldwork, the indigenous communities located near the SQM Salar de Atacama operation are not living in voluntary isolation. Therefore, this requirement is considered Not Relevant.
3.7.6.1.	Where the operating company proposes to use the intangible cultural heritage, including knowledge, innovations or practices of local communities for commercial purposes, the company shall inform these communities of their rights under national and international law, of the scope and nature of the proposed commercial development, and of the potential consequences of such development.	—	SQM Salar de Atacama has not proposed to use the intangible cultural heritage of local communities.
3.7.6.2.	The operating company shall not proceed with such commercialization unless it: <ul style="list-style-type: none"> <li>a. Collaborates with affected communities using a good faith negotiation process that results in a documented outcome; and</li> <li>b. Provides for fair and equitable sharing of benefits from commercialization of such knowledge, innovation, or practice, consistent with local customs and traditions.</li> </ul>	—	SQM Salar de Atacama has not proposed to use the intangible cultural heritage of local communities.

Chapter 3.7—Cultural Heritage






Basis for Rating

<p>3.7.6.3. Where the operating company proposes to use indigenous peoples' cultural heritage for commercial uses, negotiation shall take place through the Free, Prior and Informed Consent process outlined in IRMA Chapter 2.2 unless otherwise specified by the indigenous peoples.</p>	<p>—</p>	<p>SQM Salar de Atacama has not proposed to use the intangible cultural heritage of local communities.</p>
<p>3.7.7.1. A cultural heritage management plan or its equivalent shall be developed that outlines the actions and mitigation measures to be implemented to protect cultural heritage.</p>	<p>●</p>	<p>SQM has updated and improved its studies on cultural heritage. Based on these studies, a management plan has been developed. Although under development, according to representatives of the indigenous communities and the SQM team, some measures and projects have already been implemented to mitigate any negative impacts and enhance the positive impacts of partnerships between the communities and the company.</p>
<p>3.7.7.2. If a new or existing mine is in an area where cultural heritage is expected to be found, the operating company shall develop procedures for:</p> <ul style="list-style-type: none"> <li>a. Managing chance finds, including, at minimum, a requirement that employees or contractors shall not further disturb any chance find until an evaluation by competent professionals is made and actions consistent with the requirements of this chapter are developed;</li> <li>b. Managing potential impacts to</li> <li>c. Allowing continued access to cultural sites, subject to consultations with affected communities and overriding health, safety, and security considerations; and</li> <li>d. If the mining project affects indigenous peoples' cultural heritage, the operating company shall collaborate with indigenous peoples to determine procedures related to the sharing of information related to cultural heritage.</li> </ul>	<p>L</p>	<p>According to the documents presented and interviews, SQM carried out studies to identify and assess impacts on cultural heritage. These studies, in association with the participation of indigenous communities, resulted in different actions, such as:</p> <ul style="list-style-type: none"> <li>i. Training and orientation actions for employees, contractors, and visitors so that there are no disturbances to the daily life and way of life of the communities surrounding the mine.</li> <li>ii. Implementation of cultural heritage projects that ensure the strengthening, registration and sharing of information related to cultural heritage. Such projects were mentioned in interviews with indigenous leaders visited during the audit.</li> </ul> <p>Additionally, restrictions on continuous access to cultural sites were not mentioned, as these accesses are far from the mine's operating area and do not interfere with it.</p>
<p>3.7.7.3. The operating company shall ensure that relevant employees receive training with respect to cultural awareness, cultural heritage site recognition and care, and company procedures for cultural heritage management.</p>	<p>●</p>	<p>SQM has developing a cultural heritage management plan based on indigenous community consultation and participation. A cultural heritage mitigation plan is under development, and there is evidence that these aspects were included in the employees' training and awareness program currently under development.</p>



# Principle 4: Environmental Responsibility

RATING LEGEND  
Description of performance

	Fully meets
	Substantially meets
	Partially meets
	Does not meet
	Not relevant

## Chapter 4.1—Waste and Materials Management

## Basis for Rating

<p>4.1.1.1. The operating company shall develop a policy for managing waste materials and mine waste facilities in a manner that eliminates, if practicable, and otherwise minimizes risks to human health, safety, the environment and communities.</p>	L	<p>SQM has developed a policy for managing waste materials and mine waste facilities in a manner that eliminates, if practicable, and otherwise minimizes risks to human health, safety, the environment, and communities. The documents in reference are comprehensive and address waste management, fully meeting regulatory compliance.</p>
<p>4.1.1.2. The operating company shall demonstrate its commitment to the effective implementation of the policy by, at minimum:</p> <ul style="list-style-type: none"> <li>a. Having the policy approved by senior management and endorsed at the Director/Governance level of the company;</li> <li>b. Having a process in place to ensure that relevant employees understand the policy to a degree appropriate to their level of responsibility and function, and that they have the competencies necessary to fulfill their responsibilities;</li> <li>c. Having procedures and/or protocols in place to implement the policy; and</li> <li>d. Allocating a sufficient budget to enable the effective implementation of the policy.</li> </ul>	L	<p>SQM demonstrates commitment to the effective implementation of the policy by:</p> <ul style="list-style-type: none"> <li>a. Policy is approved by senior management and endorsed at the director/governance level.</li> <li>b. A process is in place to ensure that relevant employees understand the policy to a degree appropriate to their level of responsibility and function. The competency of the personnel is adequate to the tasks (professional background and specific training).</li> <li>c. Procedures are in place to implement the policy.</li> <li>d. The budget is updated and projected until 2024 and is approved by management.</li> </ul>
<p>4.1.2.1. The operating company shall:</p> <ul style="list-style-type: none"> <li>a. Identify all materials, substances and wastes (other than mine wastes) associated with the mining project that have the potential to cause impacts on human health, safety, the environment or communities; and</li> <li>b. Document and implement procedures for the safe transport, handling, storage and disposal of those materials, substances and wastes.</li> </ul>	⦿	<p>SQM has:</p> <ul style="list-style-type: none"> <li>a. Identified all materials, substances, and wastes (other than mine wastes) associated with the mining project that have the potential to cause impacts on human health, safety, the environment, or communities, and complies with local regulations, except for asbestos. No asbestos survey has been conducted (unknown locations and status). Although asbestos is not a waste, it has not been identified as a potential generation of hazardous waste.</li> <li>b. Documented and implemented procedures for the safe transport, handling, storage, and disposal of those materials, substances, and wastes are comprehensive, although execution has not always been up to standard (housekeeping not of high standard; storing</li> </ul>

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Basis for Rating

		<p>acids on top of wooden pallets; insufficient aisle space in combustible materials, such as tires, lube oil drums, and poor labelling).</p> <p>Hazardous waste quantities vary year-to-year, but the trend is an increase in generation (figures are indexed to production): 2019 = 467 MT; 2020 = 410 MT; 2021 = 438 MT.</p>
<p>4.1.3.1. The operating company shall identify all existing and/or proposed mine waste facilities that have the potential to be associated with waste discharges or incidents, including catastrophic failures, that could lead to impacts on human health, safety, the environment or communities.</p>	<p>L</p>	<p>SQM has identified all existing and/or proposed mine waste facilities that have the potential to be associated with waste discharges or incidents, including catastrophic failures, that could lead to impacts on human health, safety, the environment, or communities.</p> <p>Through risk assessments, no storage facilities were identified as posing the abovementioned risks.</p>
<p>4.1.3.2. The operating company shall perform a detailed characterization for each mine waste facility that has associated chemical risks. Characterization shall include:</p> <ul style="list-style-type: none"> <li>a. A detailed description of the facility that includes geology, hydrogeology and hydrology, climate change projections, and all potential sources of mining impacted water (MIW);</li> <li>b. Source material characterization using industry best practice to determine potential for acid rock drainage (ARD) or metals leaching (ML). This shall include: <ul style="list-style-type: none"> <li>i. Analysis of petrology, mineralogy, and mineralization;</li> <li>ii. Identification of geochemical test units;</li> <li>iii. Estimation of an appropriate number of samples for each geochemical test unit; and</li> <li>iv. Performance of comprehensive geochemical testing on all samples from each geochemical test unit.</li> </ul> </li> <li>c. A conceptual model that describes what is known about release, transport and fate of contaminants and includes all sources, pathways and receptors for each facility;</li> <li>d. Water balance and chemistry mass balance models for each facility; and</li> <li>e. Identification of contaminants of concern for the facility/source materials, and the potential resources at risk from those contaminants.</li> </ul>	<p>L</p>	<p>On the studies performed, SQM indicates that the site has carried out a detailed characterization for each mine waste facility that has associated chemical risks.</p> <ul style="list-style-type: none"> <li>a. Detailed descriptions of the facility that includes geology, hydrogeology, and hydrology; climate change projections; and all potential sources of mining-impacted water (MIW) are available in the form of risk assessments.</li> <li>b. The nature of the mineral does not allow for the formation of ARD. N/A</li> <li>c. A conceptual model describing what is known about release, transport, and fate of contaminants, including all sources, pathways, and receptors for each facility, was available and reviewed.</li> <li>d. Water balance and chemistry mass balance models for each facility were available and reviewed.</li> <li>e. Identification of contaminants of concern for the facility/source materials, and the potential resources at risk from those contaminants was available and reviewed.</li> </ul>
<p>4.1.3.3. The operating company shall identify the potential physical risks related to tailings storage facilities and all other mine waste facilities where the potential exists for catastrophic failure resulting in impacts on human health, safety, the environment or communities. Evaluations shall be informed by the following:</p> <ul style="list-style-type: none"> <li>a. Detailed engineering reports, including site investigations, seepage and stability analyses;</li> <li>b. Independent technical review (See criteria 4.1.6)</li> </ul>	<p>—</p>	<p>The site does not have tailings storage facilities. Description complete, no ARD or ML. Conceptual model available. Physical risks for waste (halite - common salt), determined as low risk by 3rd party risk assessment. No contaminants of concern have been found.</p>

## Chapter 4.1—Waste and Materials Management

## Basis for Rating

<ul style="list-style-type: none"> <li>c. Facility classification based on risk level or consequence of a failure, and size of the structure/impoundment;</li> <li>d. Descriptions of facility design criteria;</li> <li>e. Design report(s);</li> <li>f. Short-term and long-term placement plans and schedule for tailings and waste rock or other facilities subject to stability concerns;</li> <li>g. Master tailings placement plan (based on life of mine);</li> <li>h. Internal and external inspection reports and audits, including, if applicable, an annual dam safety inspection report;</li> <li>i. Facility water balances (See also 4.1.3.2.d); and</li> <li>j. Dam breach inundation (if applicable) and waste rock dump runout analyses.</li> </ul>	
<p>4.1.3.4. Facility characterizations shall be updated periodically to inform waste management and reclamation decisions throughout the mine life cycle.</p>	<p>Facility characterizations are updated every 5 years to inform the mining and geology enforcing agency (SERNAGEOMIN). The site has risk assessments in progress meeting local regulations.</p>
<p>4.1.3.5. Use of predictive tools and models for mine waste facility characterization shall be consistent with current industry best practice, and shall be continually revised and updated over the life of the mine as site characterization data and operational monitoring data are collected.</p>	<p>Predictive tools and models for mine waste facility characterization are available, done every 3 months, with a report to the authorities annually. <b>L</b> The predictive tools used are consistent with best industry practices and have been approved by the local authority. It should be noted that this particular "mine waste" is a common salt, commercialized as such.</p>
<p>4.1.4.1. <b>Critical</b> A risk-based approach to mine waste assessment and management shall be implemented that includes:</p> <ul style="list-style-type: none"> <li>a. Identification of potential chemical risks (see 4.1.3.2.e) and physical risks (see 4.1.3.3) during the project conception and planning phase of the mine life cycle;</li> <li>b. A rigorous risk assessment to evaluate the potential impacts of mine waste facilities on health, safety, environment and communities early in the life cycle;</li> <li>c. Updating of risk assessments at a frequency commensurate with each facility's risk profile, over the course of the facility's life cycle; and</li> <li>d. Documented risk assessment reports, updated when risks assessments are revised (as per 4.1.4.1.c).</li> </ul>	<p>SQM has implemented a risk-based approach to mine waste assessment and management, including:</p> <ul style="list-style-type: none"> <li>a. Identification of potential chemical risks during the project conception and planning phase of the mine life cycle. Physical risk assessments are completed by a third party (for 30 m high piles &amp; 34 deg slopes, all maximum). Physical risks are not significant.</li> <li>b. Risk assessments to evaluate the potential impacts of mine waste facilities on health, safety, environment, and communities early in the life cycle.</li> <li>c. Updated risk assessments.</li> <li>d. Documented risk assessments.</li> </ul> <p>Some hazardous materials storage weaknesses were observed that were not identified, such as: storing acids on top of wooden pallets, weak labelling, lack of aisle space in storage of waste tires and lube oil drums, incompatibility of chemicals in hydrogeology lab, and bench material. Transformers are free of PCBs. No asbestos survey (unknown location and status).</p>





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Basis for Rating

	<p>Asbestos was not identified as a potential waste. Asbestos regulations were established in 2001. All facilities constructed prior to 2001 have the potential to contain asbestos materials.</p>
<p>4.1.4.2. The operating company shall carry out and document an alternatives assessment to inform mine waste facility siting and selection of waste management practices. The assessment shall:</p> <ul style="list-style-type: none"> <li>a. Identify minimum specifications and performance objectives for facility performance throughout the mine life cycle, including mine closure objectives and post-closure land and water uses;</li> <li>b. Identify possible alternatives for siting and managing mine wastes, avoiding a priori judgements about the alternatives;</li> <li>c. Carry out a screening or “fatal flaw” analysis to eliminate alternatives that fail to meet minimum specifications;</li> <li>d. Assess remaining alternatives using a rigorous, transparent decision-making tool such as Multiple Accounts Analysis (MAA) or its equivalent, which takes into account environmental, technical, socio-economic and project economics considerations, inclusive of risk levels and hazard evaluations, associated with each alternative;</li> <li>e. Include a sensitivity analysis to reduce potential that biases will influence the selection of final site locations and waste management practices; and</li> <li>f. Be repeated, as necessary, throughout the mine life cycle (e.g., if there is a mine expansion or a lease extension that will affect mine waste management).</li> </ul>	<p>The operating company has not carried out and documented an alternatives assessment to inform mine waste facility siting and selection of waste management practices because, in accordance with the authorities, there is no difference for location sites, and the Salt Lake is homogeneous and makes no difference for such installations.</p> <ul style="list-style-type: none"> <li>a. The assessment identifies minimum specifications and performance objectives for facility performance throughout the mine life cycle, including mine closure objectives and post-closure land and water uses.</li> <li>b. The assessment does not identify possible alternatives for siting and managing mine wastes, because it is the environmental authority that defines locations.</li> <li>c. Screening or “fatal flaw” analysis to eliminate alternatives that fail to meet minimum specifications was not needed, but nonetheless was done by a third party using the Dobelas method.</li> <li>d. Assessment of remaining alternatives using a rigorous, transparent decision-making tool was not deemed necessary because the national authority on environmental evaluation (SEA) designated the siting using only landscaping criteria. The Salt Lake is highly homogeneous, and therefore any alternative makes little or no difference.</li> <li>e. Inclusion of a sensitivity analysis to reduce potential that biases will influence the selection of final site locations and waste management practices is not applicable.</li> <li>f. The process has not been repeated throughout the mine life cycle (e.g., if there is a mine expansion or a lease extension that will affect mine waste management), for the same previous reasons.</li> </ul>
<p>4.1.5.1. <b>Critical</b> Mine waste facility design and mitigation of identified risks shall be consistent with best available technologies (BAT) and best available/applicable practices (BAP).</p>	<p>Predictive tools and models for mine waste facility characterization are available and reviewed, done every month, and reported to authorities annually.</p> <p><b>L</b> Evidence of the use of BAT and BAP for the design of mine waste facilities is available. The guidelines are those of the authority (Sernageomin). The local design protocols are available or referenced to international standards.</p>

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<p>4.1.5.2. Mitigation of chemical risks related to mine waste facilities shall align with the mitigation hierarchy as follows:</p> <ul style="list-style-type: none"> <li>a. Priority shall be given to source control measures to prevent generation of contaminants;</li> <li>b. Where source control measures are not practicable or effective, migration control measures shall be implemented to prevent or minimize the movement of contaminants to where they can cause harm; and</li> <li>c. If necessary, MIW shall be captured and treated to remove contaminants before water is returned to the environment or used for other purposes.</li> </ul>		<p>Mitigation of chemical risks related to mine waste facilities aligns with the mitigation hierarchy as follows:</p> <ul style="list-style-type: none"> <li>a. Priority is given to source control measures to prevent generation of contaminants.</li> <li>b. Source control measures are not practicable because mine waste/rejects are classified as non-contaminant. Therefore, there are no mitigation measures included in SQM procedures.</li> <li>c. The salts have been declared non-toxic by the health authority, as they do not contain heavy metals; thus, MIW does not need treatment.</li> </ul>
<p>4.1.5.3. For high-consequence rated mine waste facilities, a critical controls framework shall be developed that aligns with a generally accepted industry framework, such as, for example, the process outlined in Mining Association of Canada's Tailings Management Guide.</p>		<p>Mine wastes are declared and accepted as non-toxic to humans and/or the environment, and there are no tailings; therefore, it is marked as not relevant.</p>
<p>4.1.5.4. Mine waste management strategies shall be developed in an interdisciplinary and interdepartmental manner and be informed by site-specific characteristics, modeling and other relevant information.</p>		<p>Mine waste management strategies were developed in an interdisciplinary and interdepartmental manner, and were informed by site-specific characteristics and other relevant information.</p>
<p>4.1.5.5. The operating company shall develop an Operation, Maintenance and Surveillance (OMS) manual (or its equivalent) aligned with the performance objectives, risk management strategies, critical controls and closure plan for the facility, that includes:</p> <ul style="list-style-type: none"> <li>a. An operations plan that documents practices that will be used to transport and contain wastes, and, if applicable, effluents, residues, and process waters, including recycling of process waters;</li> <li>b. A documented maintenance program that includes routine, predictive and event-driven maintenance to ensure that all relevant parameters (e.g., all civil, mechanical, electrical and instrumentation components of a mine waste facility) are maintained in accordance with performance criteria, company standards, host country law and sound operating practices;</li> <li>c. A surveillance program that addresses surveillance needs associated with the risk management plan and critical controls management, and includes inspection and monitoring of the operation, physical and chemical integrity and stability, and safety of mine waste facilities, and a qualitative and quantitative comparison of actual to expected behavior of each facility;</li> <li>d. Documentation of facility-specific performance measures as indicators of effectiveness of mine waste management actions; and</li> <li>e. Documentation of risk controls and critical controls (see also 4.1.5.3), associated performance criteria and indicators, and descriptions of pre-</li> </ul>		<p>An Operation, Maintenance and Surveillance (OMS) manual (or its equivalent) was not available. There are procedures for waste management, but they only meet part of the IRMA requirement.</p> <ul style="list-style-type: none"> <li>a. SQM protocols include an operations plan that documents practices that will be used to transport and contain wastes, effluents, residues, and process waters, including recycling of process waters.</li> <li>b. The maintenance program was not available.</li> <li>c. There is a surveillance program described in the narrative, but not the documented protocol.</li> <li>d. Documentation of facility-specific performance measures as indicators of effectiveness of mine waste management action was not available.</li> <li>e. Documentation was not available of risk controls and critical controls, associated performance criteria and indicators, and descriptions of pre-defined actions to be taken if performance criteria are not met or control is lost.</li> </ul> <p>The company has procedures in place, but not as a consolidated OMS manual (at the time of the audit), which was in the making. The fact that no critical control has been implemented is a consequence of the nature of the materials,</p>

## Chapter 4.1—Waste and Materials Management

## Basis for Rating

<p>defined actions to be taken if performance criteria are not met or control is lost.</p>	<p>where the mine waste is common salt (NaCl), which is eventually commercialized as a by-product.</p>
<p>4.1.5.6. <b>Critical</b> On a regular basis, the operating company shall evaluate the performance of mine waste facilities to:</p> <ul style="list-style-type: none"> <li>a. Assess whether performance objectives are being met (see 4.1.4.2.a and 4.1.5.5);</li> <li>b. Assess the effectiveness of risk management measures, including critical controls (see 4.1.5.3);</li> <li>c. Inform updates to the risk management process (see 4.1.4.1.c) and the OMS (see 4.1.5.7); and</li> <li>d. Inform the management review to facilitate continual improvement (see 4.1.5.8).</li> </ul>	<p>On a regular basis, when there are changes to the operation, SQM evaluates the risks of mine waste facilities.</p> <ul style="list-style-type: none"> <li>a. Reports to the authority are evidence that the compliance performance objectives are being met, but SQM's goal is 50% reduction by 2025; the current trend does not show reduction.</li> <li>b. Risk management process effectiveness is evaluated as are measures on effectiveness of critical controls; however, they are not tracked as a key performance indicator.</li> <li>c. Updates to the risk management process are duly informed.</li> <li>d. Top management is informed of their review and approval, to facilitate continual improvement, as declared.</li> </ul> <p>Documentation of performance of mine waste facilities: objectives are set, started in 2020. Goal: 50% reduction by 2025.</p> <p>Performance from 2019 to 2020 = increase of 30%; from 2020 to 2021 = increased by 77%; from 2021 to projected 2022 = reduction estimated at 44%.</p> <p>There is no trend analysis done regularly.</p>
<p>4.1.5.7. The OMS manual shall be updated and new or revised risk and critical control strategies implemented if information reveals that mine waste facilities are not being effectively operated or maintained in a manner that protects human health and safety, and prevents or otherwise minimizes harm to the environment and communities.</p>	<p>OMS manual not available.</p> <p>Critical control strategies implemented have been developed to prevent or otherwise minimize harm to the environment and communities by following the hierarchy of controls.</p> <ul style="list-style-type: none"> <li>Monitoring and maintenance are part of SQM procedures; the OMS Manual was not completed at the time, so it was declared as non-existent, but operational and monitoring procedures were being applied consistently, and monitored by the mining authority of Chile, and consistently found to be in compliance. No issues have been reported.</li> </ul>
<p>4.1.5.8. The operating company shall implement an annual management review to facilitate continual improvement of tailings storage facilities and all other mine waste facilities where the potential exists for contamination or catastrophic failure that could impact human health, safety, the environment or communities. The review shall:</p> <ul style="list-style-type: none"> <li>a. Align with the steps outlined in the Mining Association of Canada's Tailings Management Protocol or a similar framework; and</li> <li>b. Be documented, and the results reported to an accountable executive officer.</li> </ul>	<p>There are no tailings storage facilities (TSF) at SQM, and other mine waste facilities have been declared as very low risk or not prone to a possible catastrophic failure.</p>

## Chapter 4.1—Waste and Materials Management

## Basis for Rating

<p>4.1.6.1. The siting and design or re-design of tailings storage facilities and other relevant mine waste facilities, and the selection and modification of strategies to manage chemical and physical risks associated with those facilities shall be informed by independent reviews throughout the mine life cycle.</p>	<p>—</p>	<p>The siting and design or re-design of relevant mine waste facilities, and the selection and modification of strategies to manage chemical and physical risks associated with those facilities was assessed and informed by a third party (independent); however, this has been done only once, according to the evidence posted, because the Environmental Authority (SEA) defines locations for waste facilities. In addition, since no risks were identified, this is considered as Not Relevant.</p>
<p>4.1.6.2. Reviews shall be carried out by independent review bodies, which may be composed of a single reviewer or several individuals. At high-risk mine waste facilities, a panel of three or more subject matter experts shall comprise the independent review body.</p>	<p>—</p>	<p>SQM does not have high-risk mine waste facilities, as per the environmental impact study, the environmental authority, and OAECA (Órganos de la Administración del Estado con Competencia Ambiental), which is an administrative organization of entities with environmental competence.</p>
<p>4.1.6.3. Independent reviewers shall be objective, third-party, competent professionals.</p>	<p>—</p>	<p>Independent reviewers are third-party, competent professionals from the government organization of competent entities (OAECA), the mining geology authority (SERNAGEOMIN), and EFTAS (independent organizations accredited to verify compliance with environmental parameters). EFTAS reports directly to the environmental and the health &amp; safety regulatory agencies. However, since no risks were identified, this is considered as Not Relevant.</p>
<p>4.1.6.4. Independent review bodies shall report to the operation's general manager and an accountable executive officer of the operating company or its corporate owner.</p>	<p>—</p>	<p>By law, government agencies submit their enforcement studies and assessments to the top management of the operating companies. Independent review bodies report to the operation's general manager and an accountable executive office. However, since no risks were identified, this is considered as Not Relevant.</p>
<p>4.1.6.5. The operating company shall develop and implement an action plan in response to commentary, advice or recommendations from an independent review, document a rationale for any advice or recommendations that will not be implemented, and track progress of the plan's implementation. All of this information shall be made available to IRMA auditors.</p>	<p>L</p>	<p>Government organizations, such as OAECA and including SERNAGEOMIN, generate reports of findings and advice (ICSARA), that are submitted to the operating company for responses and action plans if needed. No action plans were established because the Independent Golder report did not find any relevant risks to address.</p>
<p>4.1.7.1. Stakeholders shall be consulted during the screening and assessment of mine waste facility siting and management alternatives (see 4.1.4.2), and prior to the finalization of the design of the facilities.</p>	<p>L</p>	<p>The environmental Impacts study of the modifications and improvement is said to have carried out a stakeholder's consultation process. The locations were defined in the SEIA of 2006, then modified by a Declaration of Environmental impact (DIA) in 2009 and Public Consultation (Consultas de Pertinencia), with the participation of stakeholders.</p>

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4.1.7.2.	Emergency preparedness plans or emergency action plans related to catastrophic failure of mine waste facilities shall be discussed and prepared in consultation with potentially affected communities and workers and/or workers' representatives, and in collaboration with first responders and relevant government agencies. (See also IRMA Chapter 2.5).	—	The nearest communities are located over 30 km away and none are downwind. The potential of a catastrophic failure has been assessed as remote. The site does not have tailings storage facilities. However, since no risks were identified, this is considered as Not Relevant.
4.1.7.3.	Emergency and evacuation drills (desktop and live) related to catastrophic failure of mine waste facilities shall be held on a regular basis. (See also IRMA Chapter 2.5).	—	As per the IRMA Standard Guidance Document, for brine and other process solution facilities, this requirement is not relevant unless a credible risk to human health, safety, the environment or communities has been identified as per 4.1.3.3. Per the audit results for 4.1.3.3, physical risks for waste (halite - common salt), determined as low risk by 3rd party risk assessment.
4.1.7.4.	If requested by stakeholders, the operating company shall report to stakeholders on mine waste facility management actions, monitoring and surveillance results, independent reviews and the effectiveness of management strategies.	L	The EIS study includes, by law, a stakeholders' outreach process. The company also has "working tables" (roundtables for community participation); however, there was no documentation available for verification of who the stakeholders are (not just the community), and minutes of the roundtables. SQM is working on a digital platform to communicate and receive comments, complaints, etc. The Navex platform is available for communications and reception of inquiries, comments, and complaints.
4.1.8.1.	<b>Critical</b> At the present time, mine sites using riverine, submarine and lake disposal of mine waste materials will not be certified by IRMA.	L	There is no riverine, submarine, or lake disposal of mine waste.

## Chapter 4.2—Water Management

## Basis for Rating

4.2.1.1.	The operating company shall identify water users, water rights holders and other stakeholders that may potentially affect or be affected by its mine water management practices.	L	SQM has identified water users, water rights holders, and other stakeholders in the community, including mining developments that may potentially affect or be affected by its mine water management practices. SQM has underground water rights for 547 l/s but is allowed to use only 240 l/s until a new environmental evaluation is done. Commitment is included in the SEIA (originally voluntary), Baseline Chapter of SEIA, dated 31-Jan-21, by University of Los Lagos, It was possible to verify during the audit that the site has reduced its consumption during the last three years to 120 l/s.  Stakeholders: Five native communities (Socaire, Peine, Camar, Talabre y Toconao); for mining companies: MEL, CMZ, and Albemarle. The aforementioned are identified as holders of water rights.
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<p>4.2.1.2. The operating company shall conduct its own research and collaborate with relevant stakeholders to identify current and potential future uses of water at the local and regional level that may be affected by the mine’s water management practices.</p>	<p>L</p>	<p>SQM has conducted its own research and has collaborated with relevant stakeholders to identify current and potential future uses of water at the local and regional level that may be affected by the mine’s water management practices.</p> <p>The report issued by the University of Los Lagos named as Informe N°_Catastro de uso y disponibilidad hídrica en la Cuenca Salar de Atacama reports the availability of hydrological resources and its current and potential uses.</p>
<p>4.2.1.3. The operating company shall conduct its own research and collaborate with relevant stakeholders to identify and address shared water challenges and opportunities at the local and regional levels, and shall take steps to contribute positively to local and regional water stewardship outcomes.</p>	<p>●</p>	<p>SQM has conducted its own research and collaborated with relevant stakeholders to identify and address shared water challenges and opportunities at the local and regional levels, and has taken steps to contribute positively to local and regional water stewardship outcomes by carrying out monitoring campaigns together.</p> <p>SQM is actively seeking to reduce water consumption.</p>
<p>4.2.2.1. The operating company shall gather baseline or background data to reliably determine:</p> <ul style="list-style-type: none"> <li>a. The seasonal and temporal variability in: <ul style="list-style-type: none"> <li>i. The physical, chemical and biological conditions of surface waters, natural seeps/springs and groundwater that may be affected by the mining project;</li> <li>ii. Water quantity (i.e., flows and levels of surface waters, natural seeps/springs and groundwater) that may be affected by the mining project; and</li> </ul> </li> <li>b. Sources of contamination and changes in water quantity or quality that are unrelated to the mining project.</li> </ul>	<p>●</p>	<p>SQM has gathered baseline or background data to reliably determine:</p> <ul style="list-style-type: none"> <li>a. Seasonal and temporal variability in: <ul style="list-style-type: none"> <li>i. The physical, chemical, and biological conditions of surface waters, natural seeps/springs (superficial waters in Soncor and Peine) and groundwaters that may be affected by the mining project.</li> <li>ii. Water quantity (i.e., flows and levels of surface waters, natural seeps, and groundwaters) that may be affected by the mining project.</li> </ul> </li> <li>b. Sources of potential contamination and changes in water quantity or quality that are unrelated to the mining project.</li> </ul> <p>SQM also recycles most treated sanitary wastewater to minimize extraction (Andino and Geo camps).</p> <p>The January 2022 SEIA determined the area of influence, and updating all information is needed to meet IRMA’s requirement. At the time of the audit, in May 2023., was under evaluation by the authority.</p>
<p>4.2.2.2. The operating company shall carry out a scoping process that includes collaboration with relevant stakeholders, to identify potentially significant impacts that the mining project may have on water quantity and quality, and current and potential future water uses. The scoping process shall include evaluation of:</p> <ul style="list-style-type: none"> <li>a. The mining-related chemicals, wastes, facilities and activities that may pose a risk to water quality; and</li> </ul>	<p>●</p>	<p>SQM has carried out a scoping process based on the geographic information provided by the “Servicio Nacional de Geología y Minería” (National Geology and Mining Agency), which includes identified stakeholders (water rights owners) and in collaboration with them identify potentially significant impacts that the mining project may have on water quantity and quality, and current and potential future water uses. The scoping process includes evaluation of:</p>

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<p>b. The mine's use of water, and any mining activities that may affect water quantity.</p>		<p>a. The mining-related chemicals, wastes, facilities, and activities that may pose a risk to water quality.</p> <p>b. The mine's use of water and any mining activities that may affect water quantity.</p> <p>Stakeholders with legal water rights: Five native communities (Socaire, Peine, Camar, Talabre y Toconao); Mining: Escondida, CMZ, Albemarle.</p>
<p>4.2.2.3. Where potential significant impacts on water quantity or quality, or current and future water uses have been identified, the operating company shall carry out the following additional analyses to further predict and quantify the potential impacts:</p> <ul style="list-style-type: none"> <li>a. Development of a conceptual site model (CSM) to estimate the potential for mine-related contamination to affect water resources;</li> <li>b. Development of a numeric mine site water balance model to predict impacts that might occur at different surface water flow/groundwater level conditions (e.g., low, average and high flows/levels);</li> <li>c. If relevant, development of other numerical models (e.g., hydrogeochemical/hydrogeological) to further predict or quantify potential mining-related impacts on water resources; and</li> <li>d. Prediction of whether water treatment will be required to mitigate impacts on water quality during operations and mine closure/post-closure.</li> </ul>	<p>L</p>	<p>Where potential significant impacts on water quantity or quality, or current and future water uses have been identified, the operating company has carried out the following additional analyses to further predict and quantify the potential impacts:</p> <ul style="list-style-type: none"> <li>a. Development of a conceptual site model (CSM) to estimate the potential for mine-related contamination to affect water resources; water balance (conceptual updated 2022).</li> <li>b. Development of a numeric mine site water balance model to predict impacts that might occur at different surface water flow/groundwater level conditions (e.g., low, average and high flows/levels).</li> <li>c. Development of other numerical models (e.g., hydrogeochemical / hydrogeological) to further predict or quantify potential mining-related impacts on water resources.</li> <li>d. Prediction of whether water treatment will be required to mitigate impacts on water quality during operations and mine closure/post-closure.</li> </ul>
<p>4.2.2.4. Use of predictive tools and models shall be consistent with current industry best practices, and shall be continually revised and updated over the life of the mine as operational monitoring and other relevant data are collected.</p>	<p>L</p>	<p>SQM uses predictive tools and models consistent with current industry best practices, and continually revises and updates over the life of the mine as operational monitoring and other relevant data are collected.</p> <p>Update of 2022, approved by DGA (Direccion General de Aguas).</p> <p>Baseline includes evidence of water quality. In follow up, quality is updated in comparison with IRMA water limits.</p>
<p>4.2.3.1. The operating company, in collaboration with relevant stakeholders, shall evaluate options to mitigate predicted significant adverse impacts on water quantity and quality, and current and potential future water uses that may be affected by the mine's water management practices. Options shall be evaluated in a manner that aligns with the mitigation hierarchy.</p>	<p>L</p>	<p>SQM, in collaboration with relevant stakeholders, has evaluated options to mitigate predicted significant adverse impacts on water quantity and quality, and current and potential future water uses that may be affected by the mine's water management practices. This measure is a preventive one if water quality was affected by an accidental release of fuel or a reagent while in transit, which does not mean there are current significant impacts.</p>

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	<p>Options have been evaluated in a manner that aligns with the mitigation hierarchy.</p> <p>The 2006 ESIA determined no negative effects on water withdrawal. Nonetheless, extraction of water was reduced to half.</p>
<p>4.2.3.2. If a surface water or groundwater mixing zone is proposed as a mitigation strategy:</p> <ul style="list-style-type: none"> <li>a. A risk assessment shall be carried out to identify, evaluate and document risks to human health, local economies and aquatic life from use of the proposed mixing zone, including, for surface water mixing zones, an evaluation of whether there are specific contaminants in point source discharges, such as certain metals, that could accumulate in sediment and affect aquatic life; and</li> <li>b. If any significant risks are identified, the operating company shall develop mitigation measures to protect human health, aquatic life and local economies including, at minimum:             <ul style="list-style-type: none"> <li>i. Surface water or groundwater mixing zones are as small as practicable;</li> <li>ii. Water in a surface water mixing zone is not lethal to aquatic life;</li> <li>iii. A surface water mixing zone does not interfere with the passage of migratory fish;</li> <li>iv. Surface water or groundwater mixing zones do not interfere with a pre-mine use of water for irrigation, livestock or drinking water, unless that use can be adequately provided for by the operating company through another source of similar or better quality and volume, and that this substitution is agreed to by all potentially affected water users; and</li> <li>v. Point source discharges into a surface water mixing zone match the local hydrograph for surface water flows to the extent practicable.</li> </ul> </li> </ul>	<p>Surface water or a groundwater mixing zone has not been proposed as a mitigation strategy. Not an accepted practice at SQM.</p>
<p>4.2.3.3. Waters affected by the mining project shall be maintained at a quality that enables safe use for current purposes and for the potential future uses identified in collaboration with relevant stakeholders (see 4.2.1.2). In particular, the operating company shall demonstrate that contaminants measured at points of compliance are:</p> <ul style="list-style-type: none"> <li>a. Being maintained at baseline or background levels; or</li> <li>b. Being maintained at levels that are protective of the identified uses of those waters (See IRMA Water Quality Criteria by End Use Tables 4.2.a to 4.2.h, which correspond to particular end uses).</li> </ul>	<p>SQM has demonstrated that the water quality of measured points of compliance has been maintained at baseline levels, and this has been verified by the environmental agency. The monitoring wells are located in bodies of water with no interaction with stakeholders (with water rights) and in some that could affect them. <a href="https://www.sqmsenlinea.com/">https://www.sqmsenlinea.com/</a></p> <p>Compliance is monitored at higher frequency than the frequency established by the regulatory agency. All monitoring data in real time is connected to the authority.</p> <p>No discharges are done by SQM; nonetheless, control of water level and quality are monitored together with a government-accredited consulting company (ETFAS).</p> <p>Bodies of water are defined as rivers, springs and streams of any size, lakes, groundwater/aquifers, reservoirs, or any other contained water fit for human consumption. Glaciers do</p>

	<p>not apply in this region; otherwise, they would be included.</p> <p>Groundwater quality and particularly quantity is monitored online, and the water authority is connected to the monitoring system and controls calibration regularly. It should be noted that groundwater is drawn downstream of all communities. We visited both the wells and the communities to ascertain locations.</p>
<p>4.2.3.4. Unless agreed by potentially affected stakeholders, water resources affected by mining activities shall be maintained at quantities that enable continued use of those resources for current purposes and for the potential future uses identified in collaboration with relevant stakeholders (see 4.2.1.2).</p>	<p>SQM is monitoring the levels online to maintain their allowed extraction limits jointly with one of the communities. The main mining companies extracting water from the same basin are: CMZ, MEL and ALBEMARLE. Agreements/disagreements regarding water extraction distribution are determined by the water authority.</p> <p>Synergistic effect with Albemarle extraction is reported to the corresponding authority.</p> <p>There are no communities downstream of SQM's installations.</p> <p>The SQM operation, as well as the Albemarle, CMZ, and MEL, were given water rights and a quota. There are no communities tied to that aquifer. The involvement of a nearby community (upstream) arose from their belief that water drawn would still affect them. Nonetheless, experts chosen by common agreement with the stakeholders of Camar and Talabre, inspected the area, concluding it would not be possible for groundwater extraction downstream of the community to be present and/or have future effects in quantity or quality. The other communities also have water rights but are not located near or downstream of SQM operations. The University of Los Lagos Report supports that "The mining project has not adversely affected the quantity of water needed to maintain pre-mining activities, or potential future uses. After the location of the aquifer was verified, with the participation of the community hired experts, the matter was settled, and the community involved resolved their complaint but continues to participate in on-going monitoring.</p>
<p>4.2.4.1. <b>Critical (a through e)</b> The operating company shall develop and document a program to monitor changes in water quantity and quality. As part of the program the operating company shall:</p> <ul style="list-style-type: none"> <li>a. Establish a sufficient number of monitoring locations at appropriate sites to provide reliable data on changes to water quantity and the physical, chemical and biological conditions of surface waters, natural springs/seeps and groundwater (hereafter referred to as water characteristics);</li> </ul>	<p>The operating company has developed and documented a program to monitor changes in water quantity and quality. As part of the program, the operating company has:</p> <p><b>L</b></p> <ul style="list-style-type: none"> <li>a. Established enough monitoring locations at appropriate sites to provide reliable data on changes to water quantity and the physical, chemical, and biological conditions of surface waters, natural springs/seeps, and groundwater (hereafter referred to as water characteristics). There are 225 monitoring wells</li> </ul>

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		<p>and 37 adaptative monitoring points. Additionally, there are surface water gauges in the designated areas.</p> <p>b. Samples taken on a frequent basis (daily) to account for seasonal fluctuations, storm events, and extreme events that may cause changes in water characteristics.</p> <p>c. Established trigger levels and/or other indicators to provide early warning of negative changes in water characteristics (TARP included).</p> <p>d. Samples of the quality are taken, and the quantity recorded of mine-affected waters destined for re-use by non-mining entities. Data is reported online to the relevant authority.</p> <p>e. Uses credible methods and appropriate equipment to reliably detect changes in water characteristics.</p> <p>f. Uses accredited laboratories (ETFAS) capable of detecting contaminants at levels below the values in the local legislation.</p>
<p>4.2.4.2. Samples shall be analyzed for all parameters that have a reasonable potential to adversely affect identified current and future water uses. Where baseline or background monitoring, source characterization, modeling, and other site-specific information indicate no reasonable potential for a parameter to exceed the baseline/background values or numeric criteria in the IRMA Water Quality Criteria by End-Use Tables (depending on the approach used in 4.2.3.3), those parameters need not be measured on a regular basis.</p>	<p>L</p>	<p>Samples regularly drawn by SQM are analyzed for all parameters that have a reasonable potential to adversely affect identified current and future water uses. The samples' parameters monitored correspond to the natural aquifer not affected by SQM activities. SQM presents a table of all water qualities, with the latest reports to the authority, including a parallel of IRMA water quality standards.</p>
<p>4.2.4.3. The operating company shall actively solicit stakeholders from affected communities to participate in water monitoring and to review and provide feedback on the water monitoring program:</p> <ol style="list-style-type: none"> <li>Participation may involve the use of independent experts selected by the community; and</li> <li>If requested by community stakeholders, costs related to participation in monitoring and review of the monitoring program shall be covered in full or in part by the company, and a mutually acceptable agreement for covering costs shall be developed.</li> </ol>	<p>●</p>	<p>SQM actively invites stakeholders from potentially affected communities to participate in water monitoring and to review and provide feedback on the water monitoring program by means of roundtables and active monitoring campaigns.</p> <ol style="list-style-type: none"> <li>Participation of independent experts selected by the communities of Camar (5-April-22), and Talabre (26-Aug-21).</li> <li>Information on costs related to participation in monitoring and review of the monitoring program to be covered in full or in part by the company was not available, but a mutually acceptable agreement for covering costs is documented.</li> </ol> <p>Conversations with the other three communities involved in the area are underway to obtain similar agreements.</p>
<p>4.2.4.4. <b>Critical</b> The operating company shall develop and implement an adaptive management plan for water that:</p>	<p>●</p>	<p>According to the narrative, SQM has developed and implemented an adaptive management plan for water that:</p>

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<p>a. Outlines planned actions to mitigate predicted impacts on current and future uses of water and natural resources from changes in surface water and groundwater quality and quantity related to the mining project; and</p> <p>b. Specifies adaptive management actions that will occur if certain outcomes (e.g., specific impacts), indicators, thresholds or trigger levels are reached, and timelines for their completion.</p>		<p>a. Outlines planned actions to mitigate predicted impacts on current and future uses of water and natural resources from changes in surface water and groundwater quality and quantity related to the mining project.</p> <p>b. Specifies adaptive management actions that will occur if certain outcomes (e.g., specific impacts), indicators, thresholds, or trigger levels (TARP) are reached, and timelines for their completion.</p> <p>RCA 226 are the commitments of SQM with the authority, SMA (Environmental Superintendence). These commitments meet IRMA's requirements.</p> <p>The plan exists and was submitted to the authorities; it is on review to be approved at the time of the audit.</p>
<p>4.2.4.5. Annually or more frequently if necessary (e.g., due to changes in operational or environmental factors), the operating company shall review and evaluate the effectiveness of adaptive management actions, and, as necessary, revise the plan to improve water management outcomes.</p>	L	<p>Report on Phase II of the Adaptive Plan (Plan de Contingencia) includes data and graphs related to the effectiveness of the actions taken in events of reaching high or low levels.</p> <p>A letter by the regulatory authority (Environmental Superintendence) attests the effectiveness of the actions taken if and when an event has occurred.</p>
<p>4.2.4.6. Community stakeholders shall be provided with the opportunity to review adaptive management plans and participate in revising the plans.</p>	C	<p>The assessment team reviewed the availability and accessibility of information made available online to community stakeholders and found it difficult and time consuming to use.</p>
<p>4.2.5.1. The operating company shall publish baseline or background data on water quantity and quality, and the following water data shall be published annually, or at a frequency agreed by stakeholders from affected communities:</p> <p>a. Monitoring data for surface water and groundwater points of compliance; and</p> <p>b. Monitoring data for water quantity (i.e., flows and levels of surface waters, springs/seeps and groundwater), and the volume of water discharged and extracted/pumped for mining operations.</p>	L	<p>SQM has published baseline or background data on water quantity; water data is published on SQM's website at a frequency agreed to by stakeholders from affected communities.</p> <p>a. Monitoring data for groundwater points of compliance.</p> <p>b. Monitoring data for water quantity (i.e., flows and levels of surface waters, springs/seeps and groundwater), and the volume of water discharged and extracted/pumped for mining operations.</p> <p>A water quality table, including monitoring and results highlighting compliance with both local regulations and IRMA, was submitted to the assessors.</p> <p>Altiplano communities have access to the internet webpage <a href="https://www.sqmlithium.com/en/sustentabilidad/so">https://www.sqmlithium.com/en/sustentabilidad/so</a> they can be informed. There is an SQM open webpage where consultations and/or complaints can be posted.</p>
<p>4.2.5.2. The operating company shall develop and implement effective procedures for rapidly communicating with relevant stakeholders in the event that there are changes in water quantity or</p>	L	<p>SQM has developed and implemented effective procedures for rapidly communicating with relevant stakeholders if there are changes in water quantity or quality that pose an imminent threat to human health</p>

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<p>quality that pose an imminent threat to human health or safety, or commercial or natural resources.</p> <p>4.2.5.3. The operating company shall discuss water management strategies, performance and adaptive management issues with relevant stakeholders on an annual basis or more frequently if requested by stakeholders.</p>	<p>or safety, or to commercial or natural resources. Their website is also available for inquiries.</p> <p>The monitoring data is connected directly in real time with the authorities, and they are in the public domain.</p> <p>Additionally, SQM reports in writing to the authorities of any event, including an investigation and action plan, and subsequently follows up on the effectiveness of actions taken.</p> <p>From previous responses, SQM shows an interactive website <a href="http://sqmsenlinea.com">SQM monitor en línea (sqmsenlinea.com)</a> with plenty of information on water withdrawal for the stakeholders to access and discuss issues.</p> <p>Roundtables are held, but there is no signed documentation available on those meetings (such as minutes and agreements); however, the meetings have been videotaped and are held confidential. Assessors had access to see them but not keep copies.</p> <p>The adaptive management plan has been updated in the SEIA 2020.</p>

## Chapter 4.3—Air Quality

	Basis for Rating
<p>4.3.1.1. The operating company shall carry out air quality screening to determine if there may be significant air quality impacts associated with its operations.</p> <p>4.3.1.2. During screening, or as part of a separate data gathering effort, the operating company shall establish the baseline air quality in the mining project area.</p>	<p>Air quality screenings took place as part of several ESIA reports. Baselines shared from 1995, 1997, and 2004 ESIA reports state that air quality is not expected to have significant relevance associated with the operations. From 2004-2006, the environmental monitoring plan was updated to compile all monitoring measures from the previous ESIA reports, stating that air quality measurements are below the legal limits, and future measurements will not be required as no significant effects are expected to affect the nearest communities in the vicinity of the project (which is said to be aligned with the latest Environmental Statement (DIA "Planta de Secado y Compactado de Cloruro de Potasio").</p> <p>Air quality measures are out of the single AQ station's latest campaign 2017-2019 (PM10 &amp; PM2.5 &amp; gases)</p> <p>The mine has established a baseline for air quality based on monitoring data developed as part of the ESIA reports. Several baseline sections were shared (1994/1996/2006).</p> <p>Screening has been taken in the past during the ESIA development where no significant effects were estimated for the mine.</p>

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<p>4.3.1.3. If screening or other credible information indicates that air emissions from mining-related activities may adversely impact human health, quality of life or the environment, the operating company shall undertake an assessment to predict and evaluate the significance of the potential impacts.</p>	<p>L</p>	<p>Impact assessment sections (part of the ESIA reports) were shared evaluating the potential impacts for air quality, indicating that air quality is not expected to adversely impact human health, the quality of life, or the environment, as there are no sensitive receptors near the source. According to the updated monitoring plan (2006), no further air quality monitoring is needed in agreement with the environmental statement (DIA "Planta de Secado y Compactado de Cloruro de Potasio").</p>
<p>4.3.1.4. The assessment shall include the use of air quality modeling and monitoring consistent with widely accepted and documented methodologies to estimate the concentrations, transport and dispersion of mining-related air contaminants.</p>	<p>⊕</p>	<p>Evidence shared does not confirm rationale and does not allow confirmation of air quality modelling developed. Rationale states that all studies since 2012 considered modelling, but no modelling report was made available for review, or proof of methods/ methodologies being followed.</p>
<p>4.3.2.1. <b>Critical</b> If significant potential impacts on air quality are identified, the operating company shall develop, maintain and implement an air quality management plan that documents measures to avoid, and where that is not possible, minimize adverse impacts on air quality.</p>	<p>⊖</p>	<p>Evidence shared (ESIA's baseline and impact assessment sections) do not indicate significant potential impacts on air quality. No specific air quality management plan was made available. The company updated the environmental monitoring plan (2006), which indicates (in alignment with the Environmental Statement - DIA "Planta de Secado y Compactado de Cloruro de Potasio") that no further air quality monitoring will be required.</p> <p>There is only one air quality monitoring station between the site and communities, in between the Camar community; therefore, there is no evaluation of air quality over other areas.</p> <p>Notwithstanding the fact that the environmental evaluations and air quality measurements carried out have ruled out significant potential impacts on air quality, based on the perception expressed by some of the surrounding communities, the company has defined a strategy to develop the study of air quality of the Salar de Atacama, in order to make an additional effort to complement the information available on this component. Several actions have been performed including: a) selection of accredited suppliers to develop an air quality management plan, dispersion, and meteorological models; b) installation of the monitoring stations web for PM10 and PM2.5 (Particulars and Sercoam); and c) meeting with communities. To ensure transparency, SQM has agreed with the communities that the monitoring results will be received and evaluated first by the community and later sent to SQM through the community representative. So far, the SPM</p>



	<p>measurements at the 11 installed stations show measurements well below the reference standard (150 mg/m<sup>2</sup>/day) and the value indicated in IRMA requirement 4.3.4.3 (350 mg/m<sup>2</sup>/day), coinciding with the historical results of environmental impact assessments. An air quality management plan and dispersion and meteorological models are begin developed and are expected to be finalized in 2023, as well as the communication and agreement with other communities in addition to Socaire (which is the priority community due to the concern expressed for air quality).</p>
<p>4.3.2.2. Air quality management strategies and plans shall be implemented and updated, as necessary, over the mine life.</p>	<p>No specific air quality management plan was made available. The updated version of the environmental monitoring plan (2006), where air quality monitoring was included, shows that no further air quality monitoring measures have been required since then (in alignment with the environmental statement - DIA "Planta de Secado y Compactado de Cloruro de Potasio"). No update to this plan was made available or was said to exist. Updates to plans seem to take place as necessary when there are changes to the mine's operations or the authority's requirements.</p> <p>Although measurements do not show non-compliance, there is only one air monitor, so chances are that any plumes could have moved in a different direction. This is confirmed by complaints of dust pollution presented by one of the communities. There are times of the year where the wind reportedly carries salt dust that impacts them. There are no air samples to validate or confirm the issue, until monitoring has sufficient coverage.</p>
<p>4.3.3.1. The operating company shall monitor and document ambient air quality and dust associated with the mining project by using personnel trained in air quality monitoring.</p>	<p>The 2006 Environmental Monitoring Plan stated that no air quality monitoring is required. The ESIA's baseline sections made available only consider air quality measurements. (Dust was not included). The latest evidence shared (alert and monitoring plan) from 2020 presents a screening based on a 20-month monitoring campaign carried out that shows results are still below legal limits. CESMEC, a duly accredited consulting company, carried out the monitoring.</p>
<p>4.3.3.2. Ambient air quality and dust monitoring locations shall be situated around the mine site, related operations and transportation routes and the surrounding environment such that they provide a representative sampling of air quality sufficient to demonstrate compliance or non-compliance with the air quality and dust criteria in 4.3.4.3, and detect</p>	<p>SEIA measurements declared emissions as non-significant, but its baseline sections made available only consider air quality measurements. (Dust was not included). At the time of the audit, the site only had one monitoring station for dust located between the plants and the community of Camar.</p>

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	air quality and dust impacts on affected communities and the environment. Where modeling is required (see 4.3.1.4) air monitoring locations shall be informed by the air quality modeling results.		Further northeast, the community of Toconao claims to perceive dust at times.
4.3.4.1.	<p>New mines and existing mines shall comply with the European Union's Air Quality Standards (EU Standards) as amended to its latest form (See Table 4.3, below) at the boundaries of the mine site and transportation routes, and/or mitigate exceedances as follows:</p> <ol style="list-style-type: none"> <li>If a mine is located in an air shed where baseline air quality conditions meet EU Standards, but emissions from mining-related activities cause an exceedance of one or more parameters, the operating company shall demonstrate that it is making incremental reductions in those emissions, and within five years demonstrate compliance with the EU Standards; or</li> <li>If a mine is located in an air shed where baseline air quality is already degraded below EU Standards, the operating company shall demonstrate that emissions from mining-related activities do not exceed EU Standards, and make incremental improvements to the air quality in the air shed that are at least equivalent to the mining project's emissions.</li> </ol>	—	The mine has not exceeded air quality standards as per control of the authorities, and it is in a non-saturated area.
4.3.4.2.	<p>As an alternative to 4.3.4.1, the operating company may undertake a risk-based approach to protecting air quality as follows:</p> <ol style="list-style-type: none"> <li>New and existing mines shall comply with host country air quality standards at a minimum, and where no host country standard exists mines shall demonstrate compliance with a credible international best practice standard;</li> <li>Where compliance is met for host country standards but the mine experiences a residual risk related to its air emissions, then more stringent international best practice standards shall apply;</li> <li>Where compliance is met for international best practice standards and a mine still experiences a residual risk from its air emissions, then the mine shall set more stringent self-designed limits, and implement additional mitigation measures to meet those limits; and</li> <li>For all air-emissions-related risks, the mine shall demonstrate that it is making incremental reductions in emissions, through a multi-year phased plan with defined timelines.</li> </ol>	—	<p>SQM:</p> <ol style="list-style-type: none"> <li>Complies with Chilean air quality standards; however, there is only one measuring station that affects representatively.</li> <li>There could be residual risk unless it can be demonstrated otherwise.</li> </ol>
4.3.4.3.	Dust deposition from mining-related activities shall not exceed 350 mg/m <sup>2</sup> /day, measured as an annual average. An exception to 4.3.4.3 may be made if demonstrating compliance is not reasonably possible through ordinary monitoring methods. In such cases the operating company shall utilize best available practices to minimize dust contamination.	—	Table 5.65, highest value = 0.08 mg/m <sup>2</sup> /day, fully compliant.
4.3.5.1.	The operating company shall ensure that its air quality management plan and compliance	L	Documentation was made available to assess the requirement. From previous requirements

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<p>information is up-to-date and publicly available, or made available to stakeholders upon request.</p>		<p>analysis, the company has no air quality management plan in place because measurements have been far below regulated limits.</p> <p>Monitoring 2017-2019 for PM10 and PM2.5 is fully in compliance with regulations.</p>
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### Chapter 4.4—Noise and Vibration

### Basis for Rating

<p>4.4.1.1. The operating company shall carry out screening to determine if there may be significant impacts on offsite human noise receptors from the mining project's noise and/or vibration. Screening is required at all new mines, and also at existing mines if there is a proposed change to the mine plan that is likely to result in a new source of noise or vibration or an increase in existing noise or vibration levels.</p>	<p>L</p>	<p>SQM has carried out noise screening to determine if there may be significant impacts on offsite human noise receptors from the mining project's noise and/or vibration.</p> <p>There is a study carried out by a third party dated March 2020, and was updated in November 2021 by the third party, Gerard Ingenieria Acustica, Spa.</p>
<p>4.4.1.2. If screening identifies potential human receptors of noise from mining-related activities, then the operating company shall document baseline ambient noise levels at both the nearest and relevant offsite noise receptors.</p>	<p>L</p>	<p>SQM and third-party screening identified potential human receptors of noise from mining, and documented baseline ambient noise levels dated May 1994 at both the nearest and relevant offsite noise receptors. This was repeated in 2005, and most recently in 2021.</p>
<p>4.4.2.1. If screening or other credible information indicates that there are residential, institutional or educational noise receptors that could be affected by noise from mining-related activities, then the operating company shall demonstrate that mining-related noise does not exceed a maximum one-hour LAeq (dBA) of 55 dBA during the hours of 07:00 to 22:00 (i.e., day) and 45 dBA at other times (i.e., night) at the nearest offsite noise receptor. These hours may be adjusted if the operating company can justify that alternative hours are necessary and/or appropriate because of local, cultural or social norms.</p>	<p>L</p>	<p>The distance to educational or residential or faunal noise receptors is significant. Measurements by an accredited third party indicate the site complies with local regulations (similar to levels as international standards, such as those of the US EPA).</p> <p>Compliance with the Chilean regulatory limits is similar to international and USEPA levels, which in many cases are more stringent.</p>
<p>4.4.2.2. The following exceptions to 4.4.2.1 apply:</p> <ul style="list-style-type: none"> <li>a. If baseline ambient noise levels exceed 55 dBA (day) and/or 45 dBA (night), then noise levels shall not exceed 3 dB above baseline as measured at relevant offsite noise receptors; and/or</li> <li>b. During periods of blasting, the dBA levels may be exceeded, as long as the other requirements in 4.4.2.4 are met.</li> </ul>	<p>—</p>	<p>Measurements by an accredited third party indicate the site complies with local regulations.</p> <ul style="list-style-type: none"> <li>a. Baseline levels do not exceed 3 dBa above baseline, as measured at relevant offsite noise receptors.</li> <li>b. SQM mining processes do not require blasting.</li> </ul> <p>Due to the aforementioned, this is considered not relevant.</p>
<p>4.4.2.3. If screening or other credible information indicates that there are only industrial or commercial receptors that may be affected by noise from mining-related activities, then noise measured at</p>	<p>—</p>	<p>Third-party screening or other credible information indicates that there are only industrial or commercial receptors that may be affected by noise from mining. Noise measured at the mine boundary or at the</p>

## Chapter 4.4—Noise and Vibration

## Basis for Rating

		<p>the mine boundary or nearest industrial or commercial receptor shall not exceed 70 dBA.</p>	<p>nearest industrial or commercial receptor does not exceed 70 dBA.</p>
<p>4.4.2.4. If screening or other credible information indicates that noise or vibration from blasting activities may impact human noise receptors, then blasting operations at mines shall be undertaken as follows:</p> <ul style="list-style-type: none"> <li>a. A maximum level for air blast overpressure of 115 dB (Lin Peak) shall be exceeded on no more than 5 % of blasts over a 12-month period;</li> <li>b. Blasting shall only occur during the hours of 09:00 to 17:00, on traditionally normal working days; and</li> <li>c. Ground vibration (peak particle velocity) shall neither exceed 5 mm/second on 9 out of 10 consecutive blasts, nor exceed 10 mm/second at any time.</li> </ul>	<p>—</p>	<p>The nature of the process does not involve blasting.</p>	
<p>4.4.2.5. Mines may undertake blasting outside of the time restraints in 4.4.2.4.b when the operating company can demonstrate one or more of the following:</p> <ul style="list-style-type: none"> <li>a. There are no nearby human noise receptors that will be impacted by blasting noise or vibration;</li> <li>b. Alternative hours are necessary and/or appropriate because of local, cultural or social norms; and/or</li> <li>c. Potentially affected human receptors have given voluntary approval for the expanded blasting hours.</li> </ul>	<p>—</p>	<p>The nature of the process does not involve blasting.</p>	
<p>4.4.2.6. If a credible, supported complaint is made to the operating company that noise or vibration is adversely impacting human noise receptors, then the operating company shall consult with affected stakeholders to develop mitigation strategies or other proposed actions to resolve the complaint. Where complaints are not resolved then other options, including noise monitoring and the implementation of additional mitigation measures, shall be considered.</p>	<p>—</p>	<p>No complaints received in the period since the 2020 audit to the 2022 audit. Anyhow, SQM carries out regular noise measurements around the perimeter of the installations and submits them to the authorities, as required by law.</p> <p>Currently, the site has a web-based mechanism to receive and record complaints, suggestions, and inquiries; there are mechanisms to address communities' concerns, and there is internet available.</p> <p>Regular noise measurements exhibit significantly low levels at the perimeter. Since the nearest communities are about 100 km away from the perimeters, this would explain why no noise complaints have been recorded. A new process is being developed under SQM's sustainability and community relations platform. Nevertheless, until now there have not been any noise-related complaints.</p>	
<p>4.4.2.7. All noise- and vibration-related complaints and their outcomes shall be documented.</p>	<p>—</p>	<p>Currently, the site has a web-based mechanism to receive and record complaints, suggestions, and inquiries. There are mechanisms to address communities' concerns, and there is internet available.</p> <p>A new process is being developed under SQM's sustainability and community relations platform. Nevertheless, until now there have not been any noise-related complaints.</p>	

## Chapter 4.4—Noise and Vibration

## Basis for Rating

<p>4.4.3.1. When stakeholders make a noise-related complaint, the operating company shall provide relevant noise data and information to them. Otherwise, noise data and information shall be made available to stakeholders upon request.</p>	—	<p>Currently, the site has a web-based mechanism to receive and record complaints, suggestions, and inquiries. There are mechanisms to address communities' concerns, and there is internet available.</p> <p>A new process is being developed under SQM's sustainability and community relations platform. Nevertheless, until now there have not been any noise-related complaints.</p>
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## Chapter 4.5—Greenhouse Gas Emissions

## Basis for Rating

<p>4.5.1.1. <b>Critical</b> The operating company or its corporate owner shall develop and maintain a greenhouse gas or equivalent policy that commits the company to:</p> <ul style="list-style-type: none"> <li>a. Identifying and measuring greenhouse gas emissions from the mining project;</li> <li>b. Identifying energy efficiency and greenhouse gas reduction opportunities across the mining project;</li> <li>c. Setting meaningful and achievable targets for reductions in absolute greenhouse gas emissions at the mine site level or on a corporate-wide basis; and</li> <li>d. Reviewing the policy at least every five years and revising as needed, such as if there are significant changes to mining-related activities, new technologies become available, or there are newly identified opportunities for reductions.</li> </ul>	L	<p>SQM has developed and maintained a greenhouse gas (GHG) policy that commits the company to:</p> <ul style="list-style-type: none"> <li>a. Identify and measure GHG emissions from the mining project.</li> <li>b. Identify energy efficiency and greenhouse gas reduction opportunities across the mining project.</li> <li>c. Set meaningful and achievable targets for reductions in absolute greenhouse gas emissions at the mine site level or on a corporate-wide basis. They are not set as yearly targets, but rather as a 2030 goal.</li> <li>d. SQM reviews the policy at least every 5 years and revises as needed. For example, if there are significant changes to mining-related activities, new technologies become available, or there are newly identified opportunities for reductions, these are evaluated for implementation.</li> </ul>
<p>4.5.2.1. The operating company shall comply with emissions quantification methods described in a widely accepted reporting standard, such as the Greenhouse Gas Protocol Corporate Standard or the Global Reporting Initiative's GRI 305 emissions reporting standard.</p>	L	<p>The operating company complies with emissions quantification methods described in a widely accepted reporting standard, such as the Greenhouse Gas Protocol Corporate Standard or the Global Reporting Initiative's GRI 305 emissions reporting standard, and follows the guidance of IPCC.</p>
<p>4.5.3.1. The greenhouse gas policy shall be underpinned by a plan that details the actions that will be taken to achieve the targets set out in the policy.</p>	L	<p>The (GHG) policy has been developed under a plan that details the actions that will be taken to achieve the targets set out in the policy.</p>
<p>4.5.3.2. The operating company shall demonstrate progress toward its greenhouse gas reduction targets.</p>	●	<p>The goal set by SQM, in relative terms, states carbon neutrality by 2030; however, the emissions show an increasing trend from 2018 to 2019 (54 409 MTCO<sub>2</sub>e more, or 5.3%) to 2020 (184 625 MTCO<sub>2</sub>e more, or 17.1% more). The internal report on GHG emissions up to October 2021 shows a reduction trend.</p> <p>There is no trend analysis, but accounting is as follows (units in eCO<sub>2</sub> MT/MUS\$), not indexed to production quantities but to sales in MUS\$/ For example:</p>

## Chapter 4.5—Greenhouse Gas Emissions

### Basis for Rating

		2017 = 248 MT; 2018= 339 MT.
4.5.3.3.	The operating company shall demonstrate that it has investigated greenhouse gas reduction strategies, and shall document the results of its investigations.	L SQM has demonstrated that they have investigated (GHG) reduction strategies, and has documented the results of its investigations. SQM lists 103 initiatives aiming to reduce air emissions and water consumption. About a dozen of them show budgeting calculations.
4.5.4.1.	The greenhouse gas policy shall be publicly available.	L The (GHG) policy is publicly available on their website and is documented in their annual sustainability reports, which are available to the public.
4.5.4.2.	On an annual basis, the operating company or its corporate owner shall: <ul style="list-style-type: none"> <li>a. Disclosure to IRMA auditors an accounting of its greenhouse gas emissions from the mining project; achievement of and/or progress towards mine-site-level greenhouse gas reduction targets; and efforts taken to reduce emissions from the mining project and mining-related activities; and</li> <li>b. Publicly report on mine-site-level or corporate-level greenhouse gas emissions, progress towards greenhouse gas reduction targets and efforts taken to reduce emissions.</li> </ul>	● SQM, in its sustainability report shows: <ul style="list-style-type: none"> <li>a. Accounting of its (GHG) emissions from the mining project, achievement of and/or progress towards mine-site-level (GHG) reduction targets, and efforts taken to reduce emissions from the mining project and mining-related activities.</li> <li>b. In absolute terms, GHG emissions show an increase since 2019 to date; GHG emissions indexed to production show a reduction.</li> </ul> <p>The goal is carbon neutrality by 2030, thus average reductions for Scopes I &amp; II is 26 kTM/year. To be published in the SQM climate change report in June 2022.</p>

## Chapter 4.6—Biodiversity, Ecosystem Services and Protected Areas

### Basis for Rating

4.6.1.1.	Biodiversity, ecosystem services and protected areas screening, assessment, management planning, implementation of mitigation measures, and monitoring shall be carried out and documented by competent professionals using appropriate methodologies.	L Evidence shared shows that the mine had an agreement with CONAF (National Forestry Corporation), which is an accredited institution (government) ETFA, between 1995 and 2019 for environmental monitoring, and examples of monitoring reports developed are shared.  Evidence of the latest monitoring reports from 2020 show the reports have been developed by the mine environmental specialists and by independent certified auditors by ETFA (National Authority for Environmental Control) and includes biodiversity, ecosystem services and protected areas screening, and some methodologies followed are approved by COREMA Antofagasta region.  One community participates in monitoring of flora, partially on fauna. Their interest is mostly in a tree/shrub called Algarrobo, used mainly for firewood. It cannot be called biodiversity monitoring, being partial. Nonetheless, SQM monitors biodiversity through a 3rd party and results are public domain, they go to the
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Chapter 4.6—Biodiversity, Ecosystem Services and Protected Areas

Basis for Rating

	<p>environmental authority and they make it accessible to the general public.</p>
<p>4.6.1.2. Biodiversity, ecosystem services and protected areas screening, assessment, management planning, and the development of mitigation and monitoring plans shall include consultations with stakeholders, including, where relevant, affected communities and external experts.</p>	<p>Evidence was shared of several stakeholder engagement activities carried out during the development of environmental documents, such as ESIA ( 2006) that includes the Biodiversity and Ecosystem services, and protected areas screening, when affected community stakeholder workshops were carried out, and local community representatives, indigenous community representatives, local organizations, authorities, and other interested parties were invited. (Evidence refers to an official letter from the authority describing the activities developed and main results.)</p> <p><b>L</b> Also, regarding the latest ESIA being developed, stakeholder consultation was conducted in 2021, including workshops and several letters and emails sharing the documentation with the interested parties and notification of public consultation activities to be developed, including consultants hired by the communities involved and paid for by SQM. Additionally, several emails were shared as evidence where the mine issued the third-party annual audit of 2019 to several communities. One engagement example with the Talabre community shows that emails were exchanged on environmental reports, and observations to the report were shared with SQM for future consideration.</p>
<p>4.6.1.3. Biodiversity, ecosystem services and protected areas impact assessments, management plans and monitoring data shall be publicly available, or made available to stakeholders upon request.</p>	<p>It is understood that the ESIA's that include the biodiversity, ecosystem services and protected areas impact assessments, and related information are available at the official websites, and links to the authority's websites are shared and made public. Other ESIA sections were shared providing inputs to the requirement assessment. (These documents are publicly available or have been made available to stakeholders through the national and local authorities.)</p> <p><b>L</b> The mine has its own website that provides public access to monitoring reports and results of operations (<a href="http://www.sqmsenlinea.com">www.sqmsenlinea.com</a>). One of the communities (Toconao) made observations to the 2022 ESIA.</p> <p>The ESIA and the SQM's management plans are publicly available and are connected online to the respective authorities. SQM hosts these plans. Biodiversity, ecosystem services and protected areas impact assessments, management plans and monitoring data are collected mostly by third parties (international</p>

Chapter 4.6—Biodiversity, Ecosystem Services and Protected Areas

Basis for Rating

	<p>consulting firms) and submitted to the environmental authority (CONAMA), as part of the ESIA's follow up including SQM's action plans. CONAMA then posts the information in the following public domains after review and approval.</p> <p>Environmental management of the Salar de Atacama   SQM (sqmlithium.com) and <a href="https://bibliotecadigital.ciren.cl/bitstream/handle/20.500.13082/6240/CONAMA-HUM0114_v1.pdf?sequence=1&amp;isAllowed=y">https://bibliotecadigital.ciren.cl/bitstream/handle/20.500.13082/6240/CONAMA-HUM0114_v1.pdf?sequence=1&amp;isAllowed=y</a> And SQM monitor en línea (sqmsenlinea.com)</p>
<p>4.6.2.1. <b>Critical</b> New and existing mines shall carry out screening or an equivalent process to establish a preliminary understanding of the impacts on or risks to biodiversity, ecosystem services and protected areas from past and proposed mining-related activities.</p>	<p><b>L</b></p> <p>Screening and several processes have been developed by the mine as part of environmental impact assessment procedures. Evidence of screening documents has been shared since the 1995 ESIA's, and topics related to biodiversity, ecosystems, and protected areas were analyzed including soil, vegetation, fauna, ecosystems, protected areas, and water resources. Activities caused by the project that are expected to impact biodiversity, ecosystems, and protected areas are shared, and several other documents are publicly available allowing access to the numerous environmental permitting processes (including ESIA's) carried out by the mine.</p> <p>ESIA 2022 BASELINE, Chapter 4, page 4-40 includes all protected areas of relevant interest and Ramsar sites. See Figs.4.6-4.8.</p>
<p>4.6.2.2. Screening shall include identification and documentation of:</p> <ul style="list-style-type: none"> <li>a. Boundaries of legally protected areas in the mine's actual or proposed area of influence, and the conservation values being protected in those areas;</li> <li>b. Boundaries of Key Biodiversity Areas (KBA) in the mine's actual or proposed area of influence, the important biodiversity values within those areas and the ecological processes and habitats supporting those values;</li> <li>c. Areas of modified habitat, natural habitat and critical habitat within the mine's proposed or actual area of influence, and the important biodiversity values (e.g., threatened and endangered species) present in the critical habitat areas; and</li> <li>d. Natural ecosystems or processes within the mine's proposed or actual area of influence that may or do provide provisioning, regulating, cultural and supporting ecosystem services.</li> </ul>	<p><b>L</b></p> <p>SQM screening includes:</p> <ul style="list-style-type: none"> <li>a. Boundaries of key biodiversity areas (KBAs) in the mine's actual or proposed area of influence. The important biodiversity values within those areas and the ecological processes and habitats supporting those values are presented in Table 4.2 (Areas and Objectives).</li> <li>b. Boundaries of KBAs in the Ramsar area and area of operation (displayed in Figs. 4.6) include the important biodiversity values within those areas and the ecological processes and habitats supporting those values.</li> <li>c. The 2022 ESIA includes areas of natural habitat and critical habitat within the mine's proposed or actual area of influence, and the important biodiversity values (e.g., threatened and endangered species) present in the critical habitat area (Table 4-14).</li> <li>d. Natural ecosystems or processes within the mine's proposed or actual area of influence that provide provisioning, regulating, cultural and supporting ecosystem services, such as</li> </ul>



**Chapter 4.6—Biodiversity, Ecosystem Services and Protected Areas**

**Basis for Rating**

		<p>ancestral uses and valorization given by the community of Camar, for example, with the regeneration of Algarrobo trees.</p>
<p>4.6.3.1. When screening identifies protected areas or areas of potentially important global, national or local biodiversity or ecosystem services that have been or may be affected by mining-related activities (e.g., KBAs, critical habitat, threatened or endangered species), the operating company shall carry out an impact assessment that includes:</p> <ul style="list-style-type: none"> <li>a. Establishment of baseline conditions of biodiversity, ecosystem services and, if relevant, conservation values (i.e., in protected areas) within the mine’s proposed or actual area of influence;</li> <li>b. Identification of potentially significant direct, indirect and cumulative impacts of past and proposed mining-related activities on biodiversity, ecosystem services and, if relevant, on the conservation values of protected areas throughout the mine’s lifecycle;</li> <li>c. Evaluation of options to avoid potentially significant adverse impacts on biodiversity, ecosystem services and conservation values of protected areas, prioritizing avoidance of impacts on important biodiversity values and priority ecosystem services; evaluation of options to minimize potential impacts; evaluation of options to provide restoration for potential and actual impacts; and evaluation of options to offset significant residual impacts (see 4.6.4.1 and 4.6.4.2); and</li> <li>d. Identification and evaluation of opportunities for partnerships and additional conservation actions that could enhance the long-term sustainable management of protected areas and/or biodiversity and ecosystem services.</li> </ul>	<p><b>L</b></p>	<p>SQM’s SEIAs of 2006 and 2022 include a, b, c, and d, particularly the initial one, plus supplemental voluntary programs, seen in Table 11.2 of the 2022 SEIA, under current evaluation.</p> <p>RCA 226, 2006 subchapter 19.7, authorizes a rescue and relocation plan.</p>
<p>4.6.4.1. <b>Critical</b> Mitigation measures for new mines shall:</p> <ul style="list-style-type: none"> <li>a. Follow the mitigation hierarchy of: <ul style="list-style-type: none"> <li>i. Prioritizing the avoidance of impacts on important biodiversity values and priority ecosystem services and the ecological processes and habitats necessary to support them;</li> <li>ii. Where impacts are not avoidable, minimizing impacts to the extent possible;</li> <li>iii. Restoring biodiversity, ecosystem services and the ecological processes and habitats that support them; and</li> <li>iv. As a last resort, offsetting the residual impacts.</li> </ul> </li> <li>b. Prioritize avoidance of impacts on important biodiversity values and priority ecosystem services early in the project development process;</li> <li>c. Be designed and implemented to deliver at least no net loss, and preferably a net gain in</li> </ul>	<p><b>L</b></p>	<p>Even if this is not a new mine, SQM meets all IRMA requirements, such as:</p> <ul style="list-style-type: none"> <li>a. Following the hierarchy of mitigation</li> <li>b. Prioritizing avoidance of impacts</li> <li>c. Minimizing if impacts cannot be avoided</li> <li>d. Working jointly with communities to restore biodiversity and ecological processes to make them self-sustainable after mine closure</li> </ul>

## Chapter 4.6—Biodiversity, Ecosystem Services and Protected Areas

### Basis for Rating

	important biodiversity values, and the ecological processes that support those values, on an appropriate geographic scale and in a manner that will be self-sustaining after mine closure.		
4.6.4.2.	<p>At existing mines:</p> <ol style="list-style-type: none"> <li>Where past adverse impacts on important biodiversity values and priority ecosystem services have been identified, the operating company shall design and implement onsite restoration strategies, and also, through consultation with stakeholders, design and implement additional conservation actions to support the enhancement of important biodiversity values and/or priority ecosystem services on an appropriate geographic scale; and</li> <li>If there is the potential for new impacts on important biodiversity values or priority ecosystem services (e.g., as a result of mine expansions, etc.), the operating company shall follow the mitigation hierarchy, prioritizing the avoidance of impacts on important biodiversity values or priority ecosystem services, but where residual impacts remain, shall apply offsets commensurate to the scale of the additional (new) impacts.</li> </ol>	L	<p>SQM has experienced the following:</p> <ol style="list-style-type: none"> <li>There not exist previous adverse impacts on important biodiversity values and priority ecosystem services, however, an unexpected non-significant impact was generated by the interruption of natural flows in an alluvial fan in Camar community plain due to civil infrastructure, that prompted SQM to stop operation, then closing the extraction well and dismantling the installation to prevent any possible impacts and implementing restoration actions with participation of the Camar community.</li> <li>The site maintains a process to consider potential new impacts, using a mitigation hierarchy and followed by a plan of mitigation, repair, and compensation (Table 7-1).</li> </ol>
4.6.4.3.	Offsetting, if required, shall be done in a manner that aligns with international best practice.	—	
4.6.4.4.	<p>The operating company shall develop and implement a biodiversity management plan or equivalent that:</p> <ol style="list-style-type: none"> <li>Outlines specific objectives (e.g., no net loss/net gain, no additional loss) with measurable conservation outcomes, timelines, locations and activities that will be implemented to avoid, minimize, restore, enhance and, if necessary, offset adverse impacts on biodiversity and ecosystem services;</li> <li>Identifies key indicators, and ensures that there is an adequate baseline for the indicators to enable measurement of the effectiveness of mitigation activities over time;</li> <li>Provides a budget and financing plan to ensure that funding is available for effective mitigation.</li> </ol>	L	<p>SQM has a biodiversity management plan (Sistema de Vegetation Borde Este):</p> <ol style="list-style-type: none"> <li>The availability of hydric resources shall not to be affected by water extraction. SQM has reduced extraction by 50% to avoid adverse impacts on biodiversity and ecosystem services.</li> <li>Levels of the phreatic layer provide an early indication of water availability to local vegetation, soil moisture measurements, and vitals of vegetation.</li> <li>Budget under "Proyectos 2022 VP Ejecutiva de Negocios lotion" includes provision until 2024.</li> </ol> <p>Each activation of the management plan was communicated to the communities of Paine, Social, Toconao and Camar, and the Environmental Authority (SMA) in writing on 7 February 2022.</p>
4.6.4.5.	Biodiversity management shall include a process for updating or adapting the management plan if new information relating to biodiversity or ecosystem services becomes available during the mine lifecycle.	L	The biodiversity management plan is verified by accredited third parties, updated every 2 years, and reviewed and approved by the authorities.
4.6.5.1.	An operating company shall not carry out new exploration or develop new mines in any legally protected area unless the applicable criteria in	—	SQM has no plans to carry out new exploration and/or exploitation in protected areas. RCA 226 (regulation), Art.6, Fig. 2.3

## Chapter 4.6—Biodiversity, Ecosystem Services and Protected Areas

### Basis for Rating

	<p>the remainder of this chapter are met, and additionally the company:</p> <ol style="list-style-type: none"> <li>Demonstrates that the proposed development in such areas is legally permitted;</li> <li>Consults with protected area sponsors, managers and relevant stakeholders on the proposed project;</li> <li>Conducts mining-related activities in a manner consistent with protected</li> <li>Implements additional conservation actions or programs to promote and enhance the conservation aims and/or effective management of the area.</li> </ol>		
4.6.5.2.	<p>An operating company shall not carry out new mining-related activities in the following protected areas unless they meet 4.6.5.1.a through d, and an assessment, carried out or peer-reviewed by a reputable conservation organization and/or academic institution, demonstrates that mining-related activities will not damage the integrity of the special values for which the area was designated or recognized.</p> <ul style="list-style-type: none"> <li>International Union for Conservation of Nature (IUCN) protected area management category IV protected areas;</li> <li>Ramsar sites that are not IUCN protected area management categories I-III; and</li> <li>Buffer zones of UNESCO biosphere reserves.</li> </ul>	—	SQM has no plans to carry out new exploration and/or exploitation in protected areas.
4.6.5.3.	<p><b>Critical</b> IRMA will not certify new mines that are developed in or that adversely affect the following protected areas:</p> <ul style="list-style-type: none"> <li>World Heritage Sites, and areas on a State Party's official Tentative List for World Heritage Site Inscription;</li> <li>IUCN protected area management categories I-III;</li> <li>Core areas of UNESCO biosphere reserves.</li> </ul>	—	SQM does not plan new mines and the authority has not approved new mines in the area.
4.6.5.4.	<p><b>Critical</b> An existing mine located entirely or partially in a protected area listed in 4.6.5.3 shall demonstrate that:</p> <ol style="list-style-type: none"> <li>The mine was developed prior to the area's official designation;</li> <li>Management plans have been developed and are being implemented to ensure that activities during the remaining mine lifecycle will not permanently and materially damage the integrity of the special values for which the area was designated or recognized; and</li> <li>The operating company collaborates with relevant management authorities to integrate the mine's management strategies into the protected area's management plan.</li> </ol>	—	SQM has no total or partial installations and/or operations in protected areas on the Atacama Region Reserva Nacional de los Flamencos, Ramsar sites (Soncor System), the Tebinquinche Sanctuary, or in aquifers that feed wetlands. Only monitoring wells are installed in the protected areas.
4.6.6.1.	<p>The operating company shall develop and implement a program to monitor the implementation of its protected areas and/or</p>	L	SQM has a biodiversity management plan implemented and verified by accredited third parties.

## Chapter 4.6—Biodiversity, Ecosystem Services and Protected Areas

### Basis for Rating

	biodiversity and ecosystem services management plan(s) throughout the mine lifecycle.		
4.6.6.2.	Monitoring of key biodiversity or other indicators shall occur with sufficient detail and frequency to enable evaluation of the effectiveness of mitigation strategies and progress toward the objectives of at least no net loss or net gain in biodiversity and ecosystem services over time.	L	Monitoring of key biodiversity or other indicators, such as pH and salinity, occur with sufficient detail annually to enable evaluation of the effectiveness of mitigation strategies and progress toward the objectives of at least no net loss or net gain in biodiversity and ecosystem services over time.  Additionally, satellite imaging supports outcomes of measurements done by the ETFAs (certified entities that carry out such measurements).
4.6.6.3.	If monitoring reveals that the operating company's protected areas and/or biodiversity and ecosystem services objectives are not being achieved as expected, the operating company shall define and implement timely and effective corrective action in consultation with relevant stakeholders.	L	As defined by SQM procedures, if monitoring should reveal that SQM's protected areas and/or biodiversity and ecosystem services objectives are not being achieved as expected, SQM defines and implements timely and effective corrective action in consultation with relevant stakeholders. Such is the case of the discontinued use of the Camar extraction well and its dismantling.
4.6.6.4.	The findings of monitoring programs shall be subject to independent review.	L	Independent review by third-party accredited consultants, Golder, verify the findings of monitoring programs.

## Chapter 4.7—Cyanide Management

### Basis for Rating

Chapter Not Relevant	—
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## Chapter 4.8—Mercury Management

### Basis for Rating

Chapter Not Relevant	—
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# APPENDIX B – Corrective Action Plans

Chapter Number	Topic	Criteria Number	Criteria Name	Requirement Number	Requirement Text	Next steps
1.1	Legal Compliance	1.1.1.	Compliance with Host Country Laws	1.1.1.1.	The operating company shall comply with all applicable host country laws in relation to the mining project.	SQM certified its environmental and health & safety management system by ISO 14.001 and 45.001 at the beginning of 2023. On the other hand, SQM Salar is working to certify its energy management system. Through this type of certification, we are including all legal compliance and making sure there are internal processes to have it updated. Part of the IRMA management system is to develop the tools and procedures to have an integrated system to comply fully with all requirements incorporating risk management, compliance systems, contractor management along with environmental, energy and health&safety requirements to make sure all of them are integrated as an overall process that we expect to have fully integrated during 2024 managed by Sustainability area.
1.2	Community and Stakeholder Engagement	1.2.2.	Engagement Processes	1.2.2.2.	The operating company shall foster two-way dialogue and meaningful engagement with stakeholders by: a. Providing relevant information to stakeholders in a timely manner; b. Including participation by site management and subject-matter experts when addressing concerns of significance to stakeholders; c. Engaging in a manner that is respectful, and free from manipulation, interference, coercion or intimidation; d. Soliciting feedback from stakeholders on issues relevant to them; and e. Providing stakeholders with feedback on how the company has taken their input into account.	The action plan for the community involves continuing the dialogue within and outside the working groups already established through the long-term and short-term agreements. On the other hand, to evaluate the effectiveness of the actions carried out, we will establish continuous evaluation mechanisms for all our projects based on perception surveys, impact measurement and direct feedback from the communities. Additionally, all the information gathered will be taken into account as part of the continuous improvement cycle of the management system that is being formalized and we expect to have fully implemented during 2024.
1.5	Revenue and Payments Transparency	1.5.5	Anti-Corruption Measures	1.5.5.1	The operating company shall develop, document and implement policies and procedures that prohibit bribery and other forms of corruption by employees and contractors.	We expect to continue consolidating the company's integrity value for our workers through various campaigns of dissemination, internalization and training that have been developed during 2023 with the objective of reaching all our workers. Bribery is a fundamental part of this. Additionally, the plan is to incorporate our contractors more directly into our integrity value, with whom we have already worked with a specific supplier development area, and we expect to continue evaluating a critical mass through our supplier sustainability self-assessment platform that measures categories such as ethics, human rights, environment, among others. This platform is aligned with our responsible sourcing policy, which we launched this year and intend to continue maturing during 2024 and continue with the training programs every two months that the contractors area is developing along with the periodic review of the controls that allow us to verify compliance.
2.5	Emergency Preparedness and Response	2.5.1.	Emergency Response Plan	2.5.1.1.	All operations related to the mining project shall have an emergency response plan conforming to the guidelines set forth in United Nations Environment Programme, Awareness and Preparedness for Emergencies at the Local Level (APELL) for Mining.	We expect to continue improving our emergency plan including APELL guidelines. Additionally, we continue to work on the emergency plans of the communities where we have had specific meetings and workshops for the implementation of their own emergency plans, which we seek to integrate with our internal operations and those of the municipality of San Pedro de Atacama, where we also have regular meetings. In particular, we are actively working with the support of an external party with 3 communities for the hazard and risk analysis and later the emergency plans, while with 1 community we are in the early stages of implementation.
2.5	Emergency Preparedness and Response	2.5.2.	Community and Worker Consultation	2.5.2.1.	The emergency response plan shall be developed in consultation with potentially affected communities and workers and/or workers' representatives, and the operating company shall incorporate their input into the emergency response plan, and include their participation in emergency response planning exercises.	We expect to continue improving our emergency plan including APELL guidelines. Additionally, we continue to work on the emergency plans of the communities where we have had specific meetings and workshops for the implementation of their own emergency plans, which we seek to integrate with our internal operations and those of the municipality of San Pedro de Atacama, where we also have regular meetings. In particular, we are actively working with the support of an external party with 3 communities for the hazard and risk analysis and later the emergency plans, while with 1 community we are in the early stages of implementation. Once we finish and integrate all the emergency plans, we seek to generate integrated drills in case of natural hazards and how to coordinate the communities, municipality and companies.
3.1	Fair Labor and Terms of Work	3.1.1	Human Resources Policy	3.1.3.3	The operating company shall take measures to prevent and address harassment, intimidation, and/or exploitation, especially in regard to female workers.	We hope to successfully implement in our facilities including Salar the Nch 3262 standard, which is voluntary and establishes the requirements to be met by a management system for gender equality and reconciliation of work, family and personal life. It is an opportunity for organizations to identify and make visible the gender gaps, barriers and inequities present in order to generate actions aimed at addressing them. It is a structure that is installed and allows for continuous improvement. We expect to have fully integrated by the end of 2024.
3.2	Occupational Health and Safety	3.2.4	Measures to Protect Workers	3.2.4.1	Critical (a and b) The operating company shall implement measures to protect the safety and health of workers including: a. Informing workers, in a comprehensible manner, of the hazards associated with their work, the health risks involved and relevant preventive and protective measures; b. Providing and maintaining, at no cost to workers, suitable protective equipment and clothing where exposure to adverse conditions or adequate protection against risk of accident or injury to health cannot be ensured by other means; c. Providing workers who have suffered from an injury or illness at the workplace with first aid, and, if necessary, prompt transportation from the workplace and access to appropriate medical facilities; d. Providing, at no cost to workers, education and training/retraining programs and comprehensible instructions on the work assigned and on safety and health matters; e. Providing adequate supervision and control on each shift; and f. If relevant, establishing a system to identify and track at any time the probable locations of all persons who are underground.	SQM certified its health & safety management system by ISO 45.001 at the beginning of 2023. In addition, SQM Salar is working on continuous improvement and continuously addressing the culture of safety through different elements such as training, dissemination, and a permanent prevention dynamic that all the teams carry out. Our plan incorporates the execution of all the plans defined in our management system in order to measure the effectiveness of the actions taken.
3.3	Community Health and Safety	3.3.1	Health and Safety Risk and Impact Scoping	3.3.1.1	The operating company shall carry out a scoping exercise to identify significant potential risks and impacts to community health and safety from mining-related activities. At minimum, the following sources of potential risks and impacts to community health and/or safety shall be considered: a. General mining operations; b. Operation of mine-related equipment or vehicles on public roads; c. Operational accidents; d. Failure of structural elements such as tailings dams, impoundments, waste rock dumps (see also IRMA Chapter 4.1); e. Mining-related impacts on priority ecosystem services (see also IRMA Chapter 4.6); f. Mining-related effects on community demographics, including migration of mine workers and others; g. Mining-related impacts on availability of services; h. Hazardous materials and substances that may be released as a result of mining-related activities; and i. Increased prevalence of water-borne, water-based, water-related, and vector-borne diseases, and communicable and sexually transmitted diseases (e.g., HIV/AIDS, tuberculosis, malaria, Ebola virus disease or others) that could occur as a result of the mining project.	Through our relationship with community worktables we seek to identify any potential health and safety risks with the community in order to address them in a timely manner. From our previous analysis we have not identified a previous risk with respect to the issues in the standard although it is aligned with completing our support for community emergency plans that include safety as well as health issues. On the other hand, we continue with our participatory monitoring and full transparency of the results of hydrogeological and biotic monitoring, which involves making all new results available on our website <a href="http://www.sqmsenlinea.com">www.sqmsenlinea.com</a> .

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3.5	Security Arrangements	3.5.1	Policies and Commitments Related to Security and Human Rights	3.5.1.2	The operating company shall have a policy and procedures in place regarding the use of force and firearms that align with the best practices expressed in UN Basic Principles on the Use of Force and Firearms. At minimum, the company's procedures shall require that: a. Security personnel take all reasonable steps to exercise restraint and utilize non-violent means before resorting to the use of force; b. If force is used it shall not exceed what is strictly necessary, and shall be proportionate to the threat and appropriate to the situation; and c. Firearms shall only be used for the purpose of self-defense or the defense of others if there is an imminent threat of death or serious injury.	We are working to include voluntary security and human rights principles in our contracts with all current and future companies that will be in charge of surveillance in our operations. Additionally, we are working on an internal security services policy that includes voluntary principles, training and procedures to avoid human rights violations such as the use of force. We expect to have this completed during the first months of 2024.
4.1	Waste and Materials Management	4.1.4	Waste Facility Assessment	4.1.4.1	A risk-based approach to mine waste assessment and management shall be implemented that includes: a. Identification of potential chemical risks (see 4.1.3.2.e) and physical risks (see 4.1.3.3) during the project conception and planning phase of the mine life cycle; b. A rigorous risk assessment to evaluate the potential impacts of mine waste facilities on health, safety, environment and communities early in the life cycle; c. Updating of risk assessments at a frequency commensurate with each facility's risk profile, over the course of the facility's life cycle; and d. Documented risk assessment reports, updated when risks assessments are revised (as per 4.1.4.1.c).	SQM certified its environmental and health & safety management system by ISO 14.001 and 45.001 at the beginning of 2023. Part of both management system we will be carrying out assessment when necessary to make sure we are meeting fully this requirement.
4.1	Waste and Materials Management	4.1.5	Mitigation of Risks and Management of Mine Waste Management Facilities	4.1.5.6	On a regular basis, the operating company shall evaluate the performance of mine waste facilities to: a. Assess whether performance objectives are being met (see 4.1.4.2.a and 4.1.5.5); b. Assess the effectiveness of risk management measures, including critical controls (see 4.1.5.3); c. Inform updates to the risk management process (see 4.1.4.1.c) and the OMS (see 4.1.5.7); and d. Inform the management review to facilitate continual improvement (see 4.1.5.8).	We are continuously working to incorporate circularity within our sustainability strategy that allows us to reduce the amount of industrial and domestic waste generated in our Atacama operation from the source. To this end, we seek to continue working with the different areas from supply, operation, sustainability and obtaining the necessary permits for the disposal of everything that we cannot reduce in order to valorize it and that the amount that ends up in a landfill is the minimum with a focus on 2025 of no more than 50%.
4.2	Water Management	4.2.4	Monitoring and Adaptive Management	4.2.4.4	The operating company shall develop and implement an adaptive management plan for water that: a. Outlines planned actions to mitigate predicted impacts on current and future uses of water and natural resources from changes in surface water and groundwater quality and quantity related to the mining project; and b. Specifies adaptive management actions that will occur if certain outcomes (e.g., specific impacts), indicators, thresholds or trigger levels are reached, and timelines for their completion.	Our adaptive management plan for the better use of the mining resource continues to be implemented, although we are still awaiting qualification from the authority. We continue to reduce our brine extraction and also include more monitoring in a transparent manner on our website <a href="http://www.sqmsenlinea.com">www.sqmsenlinea.com</a> . On the other hand, in terms of water, we are working directly with the local authority and institutions such as CAPRA to support water security in the area, in particular the provision of wells and infrastructure, understanding that the effects of climate change are becoming evident in the environment. In terms of communities, we continue to develop projects such as with Camar regarding the installation of a treatment plant to avoid dependence on water trucks, and our agricultural programs also seek to improve water efficiency. We intend to continue developing all these projects together with the hydrogeological and biotic monitoring plan for the area and the reduction of our water and brine consumption. To this end, we expect to continue with the 4 environmental roundtables that we have implemented with the communities where studies and monitoring of environmental variables are carried out with a strong focus on the water component. Additionally, we seek to continue our contribution within initiatives such as the multi-stakeholder roundtable led by GIZ with a focus on the water component ( <a href="https://www.mesamultiactor.cl/">https://www.mesamultiactor.cl/</a> ).
4.3	Air Quality	4.3.2	Air Quality Management Plan	4.3.2.1	When significant potential impacts on air quality are identified, the mine develops measures to avoid and minimize adverse impacts on air quality, and documents them in an air quality management plan.	We seek to continue with the operation and maintenance of a monitoring station for particulate matter under 10 microns (MP10) and particulate matter under 2.5 microns (MP2.5), this within the Campamento Andino area in addition to a monitoring station for sedimentable particulate matter (SPM), located in the northern sector of the eastern edge of the Salar de Atacama and identified as L2-25 along with a monitoring station for sedimentable particulate matter (SPM), located in the southern sector of the eastern edge of the Salar de Atacama and identified as LZA7-2. These reports are developed and continuously disseminated through stakeholder reports. In addition, we seek to increase the number of air quality stations in accordance with the recommendations of the IRMA audit along with making available publicly on our website <a href="http://www.sqmsenlinea.com">www.sqmsenlinea.com</a>

# Endnotes

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<sup>1</sup> <https://tools.responsiblemining.net/self-assess/>

<sup>2</sup> All versions will be posted on the IRMA website: <https://responsiblemining.net/>. The most recent version (IRMA Certification Body Requirements, v.1.0) is available at: [https://responsiblemining.net/wp-content/uploads/2020/01/Certification-Body-Requirements\\_v1.0.pdf](https://responsiblemining.net/wp-content/uploads/2020/01/Certification-Body-Requirements_v1.0.pdf)

<sup>3</sup> See IRMA Certification Body Requirements, v.1.0, pp. 18-19, and Annex A. [https://responsiblemining.net/wp-content/uploads/2020/01/Certification-Body-Requirements\\_v1.0.pdf](https://responsiblemining.net/wp-content/uploads/2020/01/Certification-Body-Requirements_v1.0.pdf)

<sup>4</sup> IRMA website: “Complaints and Feedback.” <https://responsiblemining.net/what-you-can-do/complaints-and-feedback/>

<sup>5</sup> IRMA Issues Resolution System Procedure. Version 1.0. January 2020. [https://responsiblemining.net/wp-content/uploads/2020/03/IRMA-Issues-Resolution-System\\_2020.pdf](https://responsiblemining.net/wp-content/uploads/2020/03/IRMA-Issues-Resolution-System_2020.pdf)

<sup>6</sup> IRMA web site “Mines Site Assessments”: <https://responsiblemining.net/what-we-do/certification/mines-under-assessment/>